

NEWS SUMMARY

GENERAL

Tankers blaze after collision

Two fully-laden supertankers burst into flames after colliding 10 miles north-east of the Caribbean island of Tobago. Rescuers picked up 42 survivors but 35 seamen are missing.

The ships, both Liberian-registered, were the Atlantic Express, 282,000 tons, and the Aegean Captain, 210,357 tons. After the impact the vessels drifted about a mile apart and a 12 square mile patch of oil was reported by coastguards.

All the crew of the Aegean Captain were saved. It was holed in its starboard bow and its forecastle caught fire.

The other ship was reported to be completely engulfed in flames. Only seven of her crew were picked up. Lloyd's face biggest loss, Page 3.

Rhodesia deaths

More than 180 Zimbabwe Rhodesian auxiliary forces—private armies loyal to political parties—were killed in clashes with regular Government troops, Salisbury military headquarters said. Most were supporters of the Rev. Ndabaningi Sithole's ZANU party.

DC-10 crack

DC-10 airliner leased by British Airways from Air New Zealand has been grounded at Heathrow for at least a week after a 15-inch crack was found in an engine pylon. The fault was not connected with the problems reported to the U.S. authorities, the New Zealand line said, Page 3.

New Times crisis

Unions at Times Newspapers are, at their request, to meet the company's main board after the unexpected collapse of union-management talks on a formula for restarting The Times and The Sunday Times. The seven unions involved rejected revised management terms, Back Page.

Skipper to pay

The skipper of the trawler Bristol Sea Ranger, which sank off the Cornish coast last December with the loss of five lives, had his skipper's certificate suspended for 18 months. The ship's owners were censured and ordered to pay £1,000 towards the cost of a Department of Trade enquiry.

Hostages taken

Gunnmen held a Dublin bank manager's wife and two children hostage as he was forced to hand over £50,000 from the bank vaults to others in the gang. His family was later released, unharmed, from an isolated farmhouse.

U.S. troops stay

President Carter ordered a freeze on the withdrawal of U.S. combat troops from South Korea until 1981, but authorised the pull-out of some support units. He said he took the decision to deter any North Korean attack and to give the South time to complete ground defences.

Cheers for Queen

The Queen received a tumultuous welcome in the Tanzanian capital of Dar Es Salaam on the second day of her African tour.

Briefly...

Public Picasso, painting Guernica will be handed over to Madrid's Prado Museum within 18 months, the Spanish Government said.

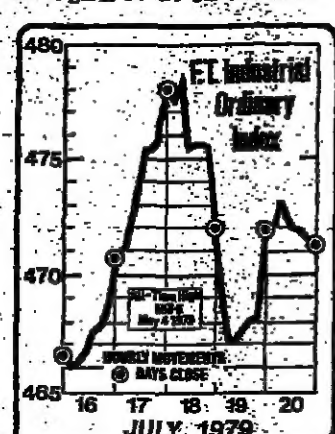
Fifth-century Celtic burial stone has been taken from St. David's Cathedral, Dyfed.

Two policemen were knocked out when their van, involved in a chase, struck a sea-saw in a North London park.

BUSINESS

Equities down 0.7; Sterling falls 2.1c

EQUITIES: Turnover remained low and the FT 30-Share Index closed 0.7 down at 471.3 for a gain of 4.6 on the week.



GILTS moved only narrowly, although shorts traded a shade easier, usually by 1/8 or so. The Government Securities Index was down 0.11 at 73.37.

STERLING declined, closing at \$2.2730, a fall of 2.1 cents. Its trade-weighted index fell to 72.5 from 73.5. DOLLAR improved against most currencies and its trade-weighted index rose to 94.2 (83.7).

GOLD lost \$1 an ounce to close at \$298.7, a rise on the week of \$10.4.

WALL STREET near the close was up 1.28 at 285.58.

FAIRFAX GROUP (the Leisure Corporation), is to develop a £20m office park near New York, Back Page.

BRITISH TANNERS PRODUCTS, in which the National Enterprise Board has a 50 per cent stake, announced that receivers have been appointed, Back Page.

UK Rio Tinto-Zinc group's Canadian mining arm may lose a 20-year contract worth about \$770m to supply uranium oxide to the Tennessee Valley Authority, Back Page.

CHRYSLER OF EUROPE's director of engineering, Harry Shotton, is moving to BL as managing director of a new subsidiary, BL Technology, Page 3.

UK STOCK EXCHANGE remain opposed to the introduction of automatic sanctions for companies which do not adhere to accounting standards, Page 3.

FORD has agreed in principle to sell about half its stake in Richier, the French construction equipment group, which has run into heavy losses since being bought by Ford in 1973, Page 3.

CHEMICAL industry output in the UK dropped 5 per cent in the first three months of this year compared with the previous quarter following "severe disruption" caused by the road haulage dispute, Page 3.

LABOUR

STEEL unions were urged by 5,000 workers at the British Steel Corporation's Corby plant to institute a national strike if the corporation issued firm proposals to shut down manufacturing at Corby, Page 3.

COMPANIES

WALLIS FASHION Group advanced pre-tax profits from £1.03m to £1.51m for the year to January 31 on turnover up from £15.2m to £21.9m, Page 18.

GROUP LOTUS Car Companies report second half profits of £369,418 against £271,674 to lift taxable surplus for 1978 by 28 per cent from £568,674 to £716,418, Page 18.

CIBA-GEIGY, the Swiss chemical group, reports a sales growth of 6 per cent for the first half of this year to SwFr 5.31bn (\$3.25bn) compared with SwFr 5bn, Page 21.

Minority stake in British Airways for sale to public

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A SUBSTANTIAL minority of shares in British Airways, the State airline, is to be sold to the public. At the same time, the airline is to be given a new capital structure, freeing it from direct Government financial control.

Announcing that in the Commons yesterday, Mr. John Nott, Trade Secretary, made clear that the Government would retain the majority shareholding and would not dispose of parts of the airline.

The intention was for the Government to leave the airline's management greater independence and commercial freedom, borrowing its cash where it could get the best terms.

The precise extent of the shareholding to be sold remained to be settled, but the 57,000 employees would be given preference to buy.

If the proposals were approved, Mr. Nott said, up to £1bn would be saved from the Government's public expenditure bill, in loans for fleet purchases and other purposes.

The airline's present investment programme would amount to £2.4bn over the next five years. Mr. Nott wanted to ensure that it was not "continually subject to the vagaries of wider public constraint."

Labour MPs attacked the plan as "nothing short of aerial piracy" and a "swoop" on a whole airline in one fell swoop. Mr. Nott said that the

plan accorded with the Conservatives' election manifesto.

British Airways was effectively controlled by one or two Ministers and by the odd Treasury official, he said. "That is what public ownership from above means."

The aim was to give the airline's management greater flexibility to meet the changing requirements of the world aviation market.

Ways to inject private money into the British National Oil Corporation are being considered. A statement of intent may be made by the Government next week, Back Page.

Trimming Tory policy on industrial aid, Page 16.

British Airways: Implications analysed and Opposition attack, Page 19.

Lex Back Page.

tion marketplace, rather than making it dependent on Government targets and support.

Mr. Nott emphasised that no part of the airline would be disposed of separately, nor routes reallocated, although he indicated that the Government would revise the guidelines given to the Civil Aviation Authority on route licensing.

Those are governed by the Labour Government's "spheres of influence" policy, in which British Airways and British Caledonian, the leading independent, are allocated areas of the world as their exclusive

preserves so far as UK flag air services are concerned.

That policy has been eroded, speedily through the changing attitudes of the U.S. Government to international air routes, with tougher competition, particularly over the North Atlantic.

The Government wants to begin consultations next week with the airline, trade unions and other interested parties such as the Civil Aviation Authority.

It will draw up a new Civil Aviation Bill which will change the structure of British Airways from the present Statutory Corporation to a company under the terms of the Companies Act, with a specific share capital, not yet defined.

The airline is financed by what is called Public Dividend Capital. That amounts to £310m, but is in the process of being reduced by £160m to about £150m, to take account of the write-off of the £160m Concord debt this year.

The new Act is unlikely to be passed before the middle of next year, but when it is, the amount of share capital for sale will be determined.

Although the Bill would prevent foreign airlines from buying shares in British Airways, Mr. Nott saw no objection to other British airlines buying shares.

He thought, however, that most new investors would be pension funds and other institutions, Continued on Back Page.

Qatar breaches OPEC pact with spot sales

BY KEVIN DONE AND RICHARD JOHNS

QATAR, ONE of the smaller Gulf oil producers, has sent a new wave of uncertainty through world oil markets by selling an important part of its July crude oil output on the spot market. The prices obtained are far above the levels agreed less than four weeks ago by the Organisation of Petroleum Exporting Countries.

At the same time, Kuwait has told British Petroleum it is cutting its supplies for the third quarter by up to 80,000 barrels a day. BP has already been hit by major cuts in supplies from Iran and Nigeria. As a result, BP will cut deliveries to third party customers in August even further to only 22 per cent of contract levels, compared with 35 per cent in July.

Qatar is believed to have sold more than 3m barrels (a barrel contains 35 gallons) on the spot market—at least 20 per cent of its monthly production—in direct breach of the compromise oil price deal negotiated at the

OPEC ministerial conference.

There it was agreed that "member countries would take steps to limit transactions in the spot market in a collective effort to stop the present price spiral."

Qatar sought at least \$37 a barrel for its spot auction sale, according to international oil traders, but the final price it realised is understood to be \$34 to \$35 a barrel.

This still gave it a premium of about \$13 over its term contract prices of \$21.23 to \$21.42 a barrel. OPEC set a maximum contract price of \$23.50 a barrel.

BP and Shell said yesterday that they had not yet suffered any cut in their Qatar contract supplies. But it is still not clear where Qatar's spot market crude will come from.

BP faces the loss of an important part of its Kuwait crude supplies, however.

Its main five-year contract, which runs out at the end of March next year allows it to lift 450,000 b/d. Earlier this year, when it lost more than

1m b/d from Iran, it succeeded in gaining a small extra contract which is now in doubt.

Under the additional contract BP was to lift 40,000 b/d in the first, second and fourth quarters and 80,000 b/d in the third quarter.

But it is understood that Kuwait wishes either to hold back this oil for domestic refining, to allow it to realise the higher margins available from the sale of oil products, or to reduce output.

Nigeria is talking about 10 per cent production cut to about 2.15m b/d from the present high level of over 2.4m b/d.

BP, which has been lifting 380,000 b/d from Nigeria, has already lost 100,000 b/d, ostensibly for using a tanker with South African connections to ship its crude. It stands to lose another 34,000 b/d as a result of the decision by Lagos to raise the state's equity stake in its joint producing ventures to 50 per cent from the present 55 per cent.

Lloyds Bank profits rise 60%

BY CHRISTINE MORRIS

LOYD'S BANK, the first of the big four clearing banks to publish its interim results, has reported a 60 per cent increase in pre-tax profits for the six months to the end of June, and a 35 per cent rise in the half time dividend.

Analysts had expected profits of between £119m and £131m, after £106m in the previous six months and £78m in the first half of last year. Most expectations had been for around £126m as the shares drifted down 2p to 330p on the news that the bank had made £122.76m.

Sir Jeremy Morse, the chairman, said that the dividend

increase "goes part of the way towards matching the rise in the Retail Price Index since 1972."

But Mr. Norman Jones, group chief executive, would not be drawn on whether the final dividend would go all the way. International earnings were static and the entire improvement came from the UK.

Deposits grew in line with inflation but higher interest rates led to a swing towards deposit account.

Advances grew even more steeply—by about 13 per cent—particularly in the last six to eight weeks. Mr. Jones did not believe this reflected increased investment in British industry but rather a pre-Budget con-

sider boom.

During the period average base rate was 12.63 per cent compared with 10.7 per cent in the previous six months, but the higher rates on deposits squeezed margins to 2.79 per cent compared with 3.23 per cent.

Mr. Jones sees minimum lending rate staying at its present level for a time with a possible drop towards the end of the year and a much lower figure next year.

The interim figures contain £4.5m for bad debts, but Lloyds has not changed its accounting policies so far to meet wide-spread calls for further disclosure.

Energy chief goes in Carter changes

By Jerek Martin, U.S. Editor, in Washington

DR. JAMES SCHLESINGER, the U.S. Energy Secretary and Mr. Brock Adams, head of the Transportation Department yesterday became the final casualties in President Jimmy Carter's drastic Government reorganisation.

Dr. Schlesinger will be replaced, probably in the autumn, by Mr. Charles Duncan, the Deputy Defence Secretary. Mr. Duncan, a Texan by birth, was, until 1974, president of the Coca-Cola Bottling Company of Atlanta and his elevation, rightly or wrongly, is being seen as a further strengthening of the Georgian hold on the Government.

Mr. Adams, even more so than Mr. Michael Blumenthal and Mr. Joseph Califano, ousted from Treasury and Health, Education and Welfare on Thursday did not go quietly. He had been told earlier this week that he would be retained if he got rid of some senior assistants, he bridled, had a sharp confrontation with Mr. Hamilton Jordan, the new White House Chief of Staff, and yesterday was summarily removed.

His temporary replacement is Mr. Graham Claytor, present Navy Secretary, but the hot tip as the next permanent Secretary of Transportation, Congressional approval permitting is Mr. Jack Watson. He is the

White House aide and former partner in the Atlanta law firm headed by Mr. Charles Kirbo, the President's lawyer, and Mr. Griffin Bell, who resigned, without much acrimony, as Attorney General on Thursday.

In the view of the White House, Mr. Adams' denouement was a grandstand political ploy, designed by him to enhance his political prospects for a Senate race he is planning next year. But it only added to the controversy about the way in which this week's changes have been effected and the new grip that the so-called Georgian has taken on the U.S. capital.

Yesterday Republican Senator Ted Stevens of Alaska, and a former Treasury Secretary, Mr. William Simon, openly questioned whether the President had taken leave of his senses. Some of Mr. Carter's supporters rallied to his defence, notably Senate leaders Robert Byrd and Alan Cranston, but a wide range of moderate-to-liberal Democratic sentiment, led by Senator Edward Kennedy, protested at the ousting of Mr. Califano, in particular, and Mr. Blumenthal.

Fed raises discount rate

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Reserve Board moved decisively yesterday to support the dollar amidst the upheavals within the Carter Administration. It raised its discount rate from 9½ per cent to 10 per cent.

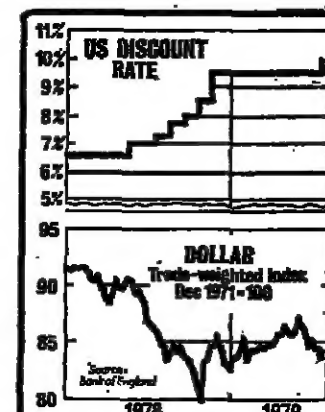
The Fed action follows Thursday's announcement that Mr. Michael Blumenthal was to be replaced as Treasury Secretary by Mr. G. William Miller, chairman of the Fed.

The discount rate increase came shortly before the Commerce Department reported a steeper-than-expected fall in real gross national product in the second quarter—seasonally adjusted 3.3 per cent annual rate.

The Department also revised its first-quarter figures to show a real increase at an annual rate of 1.1 per cent instead of the 0.8 per cent fall reported previously.

In announcing its increase in the discount rate, the Fed said it acted "as a further step to strengthen the dollar on the foreign exchange market." The step was taken because of the recent rapid rate of expansion in the monetary aggregates and to bring the discount rate into alignment with short-term interest rates generally.

The discount rate increase, coupled with the weakening of the economy in the second quarter, buoyed up the bond and money markets, which had



increasingly feared that the weakening dollar would force the central bank to tighten monetary policy severely and raise interest rates sharply.

It was also reasoned that the new evidence of slower economic growth might hold out better hopes that inflation too will ease.

However, the positive but slight movement in the markets, and economists' comments left little doubt that there is no real feeling that the latest moves will deflect further problems for the dollar.

It was pointed out that while the replacement of Mr. Blumenthal by Mr. Miller has

Continued on Back Page
U.S. GNP falls Page 2

New £1.5bn gilts stock

BY PETER RIDDELL

A NEW £1.5bn gilt-edged stock is to be offered for sale by the Bank of England next week in the replacement of the Government's expected large borrowing needs over the next couple of months.

This will be the largest issue of a single stock in one day. The offer is by tender and is payable in instalments (to match the pattern of borrowing), like most recent gilt issues.

The Bank clearly wants to maintain the momentum of its large funding programme in view of other expansionary influences on the money supply, notably bank lending.

Public sector borrowing is expected to be particularly heavy in the banking month to mid-September when the recent income tax rebates show up—the bulk of the new issue is payable in this period.

At least £500m of gilt sales have already been committed for the month to mid-August.

Only £15 per £100 has to be subscribed with tenders with 50 per cent due on August 20 and the balance on September 6.

The stock—1½% Treasury 2003-07—is being offered at a minimum tender price of £96.50 per cent. At this price the flat yield is 12.19 per cent and the gross redemption yield is 12.19 per cent.

These returns were intended to be broadly in line with the market, though there is a slightly distorted pattern of yields for very long-dated issues.

The stock's partly-paid form could attract some investors. A lot may depend on what happens to sterling early next week before lists close at 10 am on Wednesday.

The announcement had little impact on the gilt-edged market yesterday. The last long-date issue—1½% Exchequer 1999—was exhausted on July 2.

Lex Back Page.

£ in New York

	July 19	Previous
Spot	152.2500-0.2500	152.2500-0.2500
1 month	152.2500-0.2500	152.2500-0.2500
3 months	152.2500-0.2500	152.2500-0.2500
12 months	152.2500-0.2500	152.2500-0.2500

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FINANCIAL TIMES 16.7.79

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As an alternative, or in addition to investing a capital sum, you can start an M&G Regular Savings Plan through an assurance policy issued to you by M&G American Recovery Fund Ltd. The plan will be managed by M&G American Recovery Fund Ltd, which is a company limited by guarantee.

OR £12 Complete this section if you wish to start a M&G Regular Savings Plan. Policy by paying monthly premiums (minimum £12 a month).

I wish to pay £12 a month. I agree to pay the first monthly premium, made payable to M&G American Recovery Fund Ltd.

I understand that this plan is not a contract and that the company will not assume any liability for the plan.

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OVERSEAS NEWS

GNP fall confirms recession

BY DAVID BUCHAN IN WASHINGTON

CONFIRMATION of the U.S. economic recession came yesterday, with the news that the Gross National Product fell at an annual rate of 3.3 per cent between April and June, the steepest quarterly decline in four years.

The Commerce Department attributed its preliminary estimate of the sharp second quarter drop almost wholly to falling sales of cars, trucks and energy-related goods caused by the petrol shortages and price increases.

Mrs. Courtney Slater, the department's chief economist, predicted that growth in the third quarter of this year was unlikely. A recession is technically defined here as a drop in national output for two successive quarters.

But she told a Press conference that she expected yesterday's action by the Federal Reserve Board in raising its discount rate from 9.5 to 10 per cent to have little significant impact on economic activity in the current quarter. The reason for the expected continued drop in growth in the third quarter was that business inventories had risen in the last three months and therefore companies could be expected to use up these stocks before increasing future purchases.

The official Administration growth forecast is for a 0.5 per cent decline in 1979, and Mrs. Slater said she still considered this reasonable. The Commerce Department yesterday also revised upwards its estimate of GNP growth in the January to

March quarter to an annual rate of 1.1 per cent.

The preliminary estimate of the second quarter fall was an even bigger drop than had been expected. Mr. G. William Miller, the Federal Reserve chairman and Treasury Secretary-designate, recently suggested that real output this year might decline by between 0.5 and 2 per cent. Fed predictions have generally proved more accurate than the Administration's this year.

Inflation, according to the GNP fixed-weight price indicator, rose at an annual 9.8 per cent in the April-June period, virtually unchanged from the previous three months. Until this rate of price increase was curbed, Mrs. Slater said, she considered the prospects for renewed economic growth dim,

though she expected the recession to be relatively mild and short.

"Higher oil prices and the resulting drain of purchasing power abroad cut into consumers' real incomes in the second quarter. In the months ahead, this phenomenon will continue to restrict real growth," she said in a statement.

There were two rays of hope, according to the Commerce Department. Housing construction was not declining as fast as some had predicted, and Mrs. Slater said the prospects for U.S. exports were good, despite the gloomy report this week by the Organisation of Economic Co-operation and Development (OECD) of slow growth in countries which were major customers for U.S. products.



Dr. Eschel Rhoodie

Rhodie is wanted on seven fraud charges

By Quentin Peel in Johannesburg

DR. ESCHER RHOODIE, former secretary of the disbanding South African Department of Information, faces seven charges of fraud, allegedly committed while he was in office.

A warrant for his arrest was issued on June 1 in Pretoria, Mr. F. W. de Klerk, the Acting Minister of Justice, announced yesterday, and the South African Government has started the legal process for extradition.

French officials indicated, however, that it was far from certain that Dr. Rhoodie would be extradited.

The sudden arrest of Dr. Rhoodie at a flat in Juan-les-Pins in the south of France has come as something of a surprise, for observers here believe the South African Government could be seriously embarrassed by revelations he might make if brought to court. The fact that the South African authorities had apparently been unable to find him since he left the country last November, whereas several South African newspapers had tracked him down, suggested that the Government was less than keen to see him brought home.

Dr. Rhoodie was the architect of South Africa's unorthodox international propaganda campaign, financed by secret funds, which totalled some R64m (\$33.2m).

The Erasmus Commission of Inquiry identified private property deals undertaken by Dr. Rhoodie with secret State funds, and said he deposited more than R400,000 in the bank accounts of his wife and himself over a four-year period, although officially he never earned more than R1,000 a month.

Although the so-called Muldergate scandal has already caused the resignations of Dr. Connie Mulder, the former Minister of Information, and Mr. John Vorster, the former Prime Minister and State President, other major political figures could yet be embarrassed by Dr. Rhoodie's evidence.

Dr. Rhoodie is also capable of giving details of his secret "influence-buying" which would undoubtedly be most embarrassing to former collaborators. He has claimed they included British MPs, members of the Japanese Diet, and U.S. politicians.

If the South African Government does successfully extradite Dr. Rhoodie, it will be an indication that Mr. Botha feels his position strong enough to weather his revelations.

David White adds from Paris: Dr. Rhoodie is awaiting an extradition hearing by a French court.

He cannot, however, be extradited except by a decree based on the court's decision, signed by M. Alain Peyrefitte, the French Justice Minister, and counter-signed by M. Raymond Barre, the Prime Minister.

Vietnam offers to discuss refugee camp proposal

BY DAVID DO'ELL IN GENEVA

VIETNAM YESTERDAY failed to make any firm concessions to stop the exodus of refugees from Indo-China at the international conference here, but the UN High Commission for Refugees (UNHCR) was hopeful that the target of homes for another 250,000 refugees would be met by the international community.

Lord Carrington, the British Foreign Secretary, and head of its delegation, and Mr. Sina-thamby Rajaratnam, Singapore's Minister for Foreign Affairs, yesterday criticised the Vietnamese.

The main result may be a new flow of official information from the UN Food and Agriculture Organisation (FAO), which may rise in the UN hierarchy as a result of the meeting.

Rural poverty is, perhaps, the worst problem facing developing countries where food supplies are often adequate, but the poorest people continue to starve because they cannot afford to buy the food, according to reports prepared by the FAO.

The programme agreed at the

Sumo Sonoda, Minister for Foreign Affairs, promised to finance 50 per cent of the UNHCR budget, 50 per cent of the cost of setting up a transit camp on Indonesia's Galang Island, and substantial assistance to help Thailand to cope with Cambodian refugees.

Japan has also promised to accept boat refugees for temporary asylum and guarantee that Japanese ships will pick up refugees at sea.

The French delegation asked Vietnam for a six-month moratorium on refugees leaving the country, and suggested that countries receiving refugees should take one refugee per thousand of their own population. This would mean that Britain would take 50,000 refugees.

Lord Carrington also suggested a commission to mediate between the Vietnamese Government and recipient countries.

Plan to aid world's poor

BY BRUJ KUNDURIA IN ROME

A FAR-REACHING programme was agreed at a conference here in Rome to reduce the grinding poverty afflicting more than 800m villagers in Third World countries, but it is likely to have little effect because of patchy implementation.

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FAO-sponsored conference includes a declaration of principles and separate guidelines for action to be taken on the national level by developing countries, governments, and for trade relations and aid priorities.

These actions cover such aspects as providing land for the landless, reforming tenancy laws, promoting co-operative control of villages, building up craft and rural industries, and encouraging villagers to take part in local development through more peasant organisations and trade unions.

The developing countries unsuccessfully sought to obtain pledges from the industrialised nations for more money and reduction of barriers against food and other agricultural imports from the Third World.

Rhodesians attack camp in Zambia

By Tony Hawkins in Salisbury

ONLY A week before the Queen's State visit to Zambia, Zimbabwe Rhodesian security forces yesterday attacked a Zipra guerrilla camp in southern Zambia. A combined operations communiqué said that all forces and aircraft had returned safely to base after a morning assault against a resupply camp at Sindri, some 12 miles from the southern Zambian town of Livingstone.

A military spokesman in Salisbury said that the attack was launched to prevent "an imminent terrorist crossing as well as to counter resupply of terrorists within Zimbabwe Rhodesia."

The Queen is due to arrive in the Zambian capital of Lusaka next Friday.

Two weeks ago, Bishop Muzorewa, the Prime Minister, promised that Zimbabwe Rhodesia would not launch attacks into Zambia while the Queen was there. The Bishop emphasised that security force incursions into Zambia are both defensive and preemptive.

Reddy supports caretaker rule in India

By K. K. Sharma in New Delhi

THE INDIAN PRESIDENT, Mr. N. Sanjiva Reddy, who is playing a key role in the current political crisis, has let it be known that he favours the formation of a caretaker "national government" until fresh elections can be held.

The composition of such a government is not known, but Mr. Reddy apparently has in mind a coalition of non-controversial but nationally respected figures. The need for this may arise if attempts to form an alternative, viable government in place of the Morarji Desai Government fail.

Mr. Reddy has been told by the chief election commissioner that, because of logistics problems, it will not be possible to hold a general election before November.

The President has discussed the concept of a national government with many chief ministers of states and politicians who have met him during consultations on formation of an alternative government.

For the present, however, the President is acting in a strictly constitutional manner. He has asked Mr. Y. B. Chavan, leader of the opposition Congress Party, to explore the possibility of forming a government.

Korean troop freeze

PRESIDENT CARTER yesterday

announced he was freezing the withdrawal of U.S. ground combat troops from South Korea until 1981, because North Korea's military strength was greater than estimated previously. Reuter reports from Washington.

U.S. nuclear safety cost up

BY DAVID LASCELLES IN NEW YORK

THE AFTERMATH of the Three Mile Island nuclear accident has taken a further toll on the prospects for nuclear power in the U.S. A task force set up by the Nuclear Regulatory Commission to examine the accident has come up with a string of proposals to improve safety at nuclear power plants.

If adopted, they would cost \$2m to \$5m to implement at the country's 68 operating plants, depending on their age, and at a further 92 under construction.

Proposals include control room procedures, and extra instrumentation to check such things as faulty valves. (Valve malfunction played a critical role in the Three Mile Island accident.) If the proposals are

Oil tax rise

The tax on light crude oil exported by Canada to the U.S. will be increased by 3¢ a barrel, raising the price to about \$39.95 (\$35) a barrel, Victor Mackie reports from Ottawa. The tax on heavier oils will rise by 3¢ to 5¢ a barrel to \$42.75 a barrel.

adopted, changes in procedure would have to be introduced by next January 1. Changes involving installation of new hardware would have to be introduced by January 1, 1981.

On hearings on the Three Mile Island accident, engineers at Babcock and Wilcox, who built the reactor, admitted on Thurs-

day that questions had been raised about the quality of operating procedures for their equipment, but that memos on the subject had lain around unheeded for six months.

The questions referred specifically to the dangers of premature cut-offs of emergency cooling supplies, exactly what happened at Three Mile Island.

Partly as a result of design modifications now required at nuclear plants, and the resulting cost increases, New York State officials have advised rejection of plans to build two nuclear power stations on Long Island. However, their action could precipitate a debate, given the stress laid on nuclear power and oil-saving by President Jimmy Carter in his recent energy speeches.

Car union victory in the Sun Belt

BY JOHN WYLES IN NEW YORK

THE United Auto Workers Union has scored a victory on behalf of the American labour movement by winning the right to represent workers at a new General Motors plant in the Sun Belt state of Oklahoma.

Nearly 2,300 workers at the Oklahoma City plant voted more than two to one in favour of representation by the UAW, despite a vigorous campaign against the union by local business and the Daily Oklahoman, the city's influential morning newspaper. For its part, the UAW is believed to have spent a very large amount of money on rallies, leaflets, T-shirts and announcements on local radio stations.

The union movement generally is having an uphill struggle to secure representa-

tion rights at hundreds of companies which have invested in the Sun Belt in recent years, many to escape the more established trade union culture of the north.

The UAW's victory should put fresh heart into these efforts, although few unions have financial and manpower resources to match the UAW.

The UAW believed it had removed one potential obstacle a few months ago when it won a pledge from GM that it would not actively oppose the organising effort. But Mr. Douglas Fraser, the UAW president, has complained of breaches in this agreement. Monday's opening negotiations with the company on a new three-year contract were adjourned until today because of the union's anger.

GM has about eight plants operating or under construction in the south, at which the UAW does not have representation rights, and the Oklahoma City breakthrough should help any further efforts it cares to mount. GM plans to close a total of six assembly plants for longer than the normal summer shutdown and to delay production of 1980 models. This will allow dealers more time to move 1979 model cars, many of which are now in oversupply because of falling new car sales.

Dealers for all major makes were holding a record 2.15m vehicles at the start of this month, a large enough stockpile to last 80 days at current selling rates. The largest proportion of unsold cars are the larger, gas-guzzling variety.

Israeli ban on meetings defied

BY DAVID LENNON IN TEL AVIV

PALESTINIAN LEADERS from the occupied West Bank and Gaza Strip defied an Israeli ban on political meetings yesterday when they attended a conference on "social problems."

The three-day conference in East Jerusalem was organised by Jordanian sponsored charity organisations and was labelled as a meeting on the social problems of the occupied territories. In reality the opening session turned out to be a political event, with speakers calling for the creation of an independent Palestinian State.

Israel banned political meetings in the occupied territories after capturing them in 1967. After the Camp David Middle East summit last year, the ban was lifted, but was quickly reimposed when the West Bank leaders used the meetings as a platform to urge a Palestinian State.

More recently the Israeli military government threatened to prosecute a number of pro-

minent Arabs from the West Bank town of Nablus for taking part in a protest march against the expropriation of Arab land for a Jewish settlement.

But hundreds of municipal and communal leaders from the West Bank and Gaza Strip yesterday openly defied the occupation authorities by attending the Jerusalem meeting.

The meeting took on the tone of an open challenge to Israel when speakers called on the Palestinians to resist the Israeli proposed autonomy plan for the occupied territories, while others spoke openly about the need to create an independent Palestinian state.

Meanwhile, doctors reported that Mr. Menahem Begin, the Prime Minister, who went into hospital on Thursday, had a minor obstruction of a small artery. They said he would have to rest for about two weeks.

Insan Hijazi reports from Beirut: An attempt by Israeli commandos to land on the

southern Lebanese coast was foiled at dawn yesterday after an exchange of fire in which artillery and rockets were used, according to the state-controlled Radio Lebanon and Palestinian guerrillas.

The Israelis using rubber dummies tried to establish a beachhead between Sarafand and Khaziran about 12 miles north of the Israeli border but ran into strong resistance from the Palestinians and their Lebanese Muslim and leftist allies, the reports said. Three people were wounded on the Lebanese side. Israeli casualties were not known.

Soon after, Israeli gunboats bombarded the coastal plain.

AP adds from Tel Aviv: The Israeli army command said "four terrorists were wounded and their vehicles destroyed" when Israeli forces entered southern Lebanon and clashed with a Palestinian force between Tyre and Sidon. It said all the Israelis returned safely.

Craxi presses on, despite setback

BY RUPERT CORNWELL IN ROME

SIG. BETTINO CRAXI, the Socialist leader, has chosen to press on with his uphill struggle to form a new Government, despite a virtual veto from the Christian Democrats, the country's largest single party, with 38 per cent of the vote.

Early yesterday the Christian Democrat leadership made it clear that it has seen nothing so far to persuade the party to give up its hold on the Prime

Minister's office for the first time in 34 years—especially with an extremely delicate party congress due this autumn.

But Sig. Craxi, after informal talks with President Sandro Pertini, outwardly shrugged off the setback, and last night was about to embark on yet another round of consultations with potential partners, starting with the Christian Democrats.

His decision was being seen as a calculated step to try to

force the Christian Democrats openly to break off dealings with him, and thus pin the blame on them for the collapse of this latest bid to settle the Government crisis.

An acrimonious rupture between Socialists and Christian Democrats could make any subsequent attempt to put together a majority in Parliament impossible, however. At this prospect, even Italy's politicians profess a certain alarm.

German employers meet unions

BY ROGER BOYES

IN THE FIRST official top-level meeting for three-and-a-half years, the West German Employers' Association and the National Trade Union Federation discussed yesterday the effects of new technology on employment and the delicate issue of workers' participation.

The meeting represents a thaw in the formal relations between the two sides of industry and was made possible by a recent federal constitutional court decision which rejected a challenge by the employers to the 1976 "Co-determination" Act. This legislation provides for parity of workers and share-

holders representatives in the Board rooms of Germany's larger corporations.

The employers' appeal led to the breakdown of the regular talks between Government, the unions and industry. In the past three years, many companies have adopted the Act's provisions and the eventual resumption of formal "summit" talks thus seemed inevitable.

But talks between Herr Heinz Oskar Vetter, the trade union leader, and Herr Otto Esser, the Employers Association President, came at a time when there is a new "Grassroots" challenge to the other-

wise fairly quiescent climate of German labour relations.

In the State of Baden-Wuerttemberg, the metal-working trade union has called for a supplementary wage increase to offset the effect of recent price rises—an apparent challenge to the union's central leadership which has ruled out such extra deals.

The metal industry in the State is willing to negotiate—it was badly hit by union action last year and wants to avoid any repetition—but is calling for nationwide agreements. This will be difficult to achieve and the local unionists believe the employers are trying to stall.

Ayatollah appointees in Cabinet

BY OUR TEHRAN CORRESPONDENT

DR. MEHDI BAZARGAN, Iran's Prime Minister, has announced a limited merger of the Government and the Revolutionary Council in a move aimed at increasing co-ordination between the two bodies.

In a speech broadcast on television, Dr. Bazargan gave the names of five newcomers to the Government from the Revolutionary Council—the secretive, clergy-dominated body of advisers to Ayatollah Khomeini which has been responsible for many key policy decisions.

Members of the Government are also to become members of the Revolutionary Council, but so far no names have been given.

Among those coming into the Government are Mr. Abol Hassan Bani-Sadr, an economic adviser to Ayatollah Khomeini, who becomes Under-Secretary of State for Banking and the Ministry of Economy and Finance.

Mr. Bani-Sadr is believed to have been one of the architects of the bank nationalisation programme and the move to bring large areas of industry into Government ownership.

Two members of the clergy also join the Government as Ministers of Interior and Justice. They are Ayatollah Mahdavi-Kani, head of Tehran's Central Revolutionary Committee, and Hojatoleslam Hashem Rastaniani, a hardline supporter of strong Islamic government.

The limited restructuring of the Government comes after weeks of agitation from Prime Minister Bazargan over what he describes as "numerous and disorganised centres of decision-making" which had undermined the authority of the Cabinet.

The Revolutionary Council will now play a greater role in supervising the other revolutionary organisations—the courts, committees and guards. The new development is not seen as greatly strengthening the position of Dr. Bazargan, who wanted to wrest greater authority for his Ministers from the Revolutionary Council.

Andrew Clark reports from Sydney on the far-from-easy life of Australia's Prime Minister

Mr. Fraser's favourite maxim comes too true

SOON AFTER Mrs. Thatcher replaced Mr. Heath as Conservative Party leader, Mr. Malcolm Fraser was dining with an Australian Liberal Party colleague who was arguing that the pressures to water down tough policies in office were irresistible, citing the history of the Heath Government as an example.

"That won't happen under Margaret Thatcher," Mr. Fraser said firmly, and took a confident tug on his long cheroot. But after nearly four years in office, many of the Australian Prime Minister's supporters are wondering aloud whether it has happened to him.

Mr. Fraser, who has a dour Scottish ancestry, and whose family became wealthy as farmers in the exclusive western district of Victoria, entered office as the strong man pledged to live out his favourite maxim: "Life wasn't meant to be easy."

less inflation, less unemployment, strong growth and political stability.

The policy mix was similar to, if not the same as, that offered by Mrs. Thatcher earlier this year. There is an even closer parallel in the two leaders' emphasis on the need for self-discipline. Mr. Fraser is sometimes referred to as "the head prefect." However, the mid-term report card is very mixed.

The failure of the Government to live up to its rash of promises made in the bitter 1975 campaign—and again at another poll two years later—coupled with a series of dismissals and resignations of ministers have contributed to a credibility problem for Mr. Fraser.

The latest opinion poll gives Mr. Fraser a low popularity rating of 28. In the last six months by-election results have indicated a swing of between 5 and 10 per cent against the Government and the latest voter intention surveys show Labor on 51, the ruling Liberal and National Country party coalition 40, and

the rest distributed among minor parties.

For the Government the most politically damaging decisions have been in the sensitive tax area. A series of embarrassing reversals followed promises to cut taxes, and introduce full tax indexation. Mr. Fraser pitched his 1977 campaign on an under-taking to cut the average wage-earner's tax by about £3 a week. The cuts were introduced, but withdrawn six months later when the Government increased income tax by 1.5 per cent.

Soon after entering office, Mr. Fraser promised full tax indexation, by automatically adjusting tax scales to compensate for the inflationary increases of tax as salaries move into higher brackets in the progressive tax scale. Later the Government chopped this back to half tax indexation.

The chopping and changing has been forced on the Government by chronic budgetary problems, producing a deficit which remains as it was under Labor, at about 3.3 per cent of GNP. However, while Mr. Fraser

argues that the Government needs to maintain a "responsible" economic policy, the same reversals have characterised his handling of health, education, defence, industrial relations, and the Cabinet.

Six Ministers have either been forced to resign, been dismissed, suspended, or left the Cabinet of their own volition. These have included Mr. Philip Lynch, the deputy Liberal Party leader, who has since returned to the Cabinet, and Senator Reg Withers, the former leader of the Government in the upper house, who, while still in the political wilderness, wields considerable power in the Liberal Party.

Much of the strain has stemmed from Mr. Fraser's one-man band style as leader. Privately, his supporters contend that this attitude is justified because of the mediocre quality, and lack of experience, of some members of the Cabinet. They may have a point, but the Fraser style has not produced a smooth or coherent flow of decisions.

Mr. Fraser's reputation as a hard-liner on industrial matters was belied for some months by conciliatory statements, but appears to have re-emerged recently. Australia has been plunged into near-chaos by a series of crippling strikes, covering almost every vital industry and service in the country. The Government has raised stakes in this risky game by proclaiming legislation passed two years ago which provides for the suspension and dismissal of public servants involved in or affected by, an industrial dispute.

The Australian Council of Trade Unions and public service unions have responded with a call for rolling strikes in the public service until the legislation is repealed. Although Government-unions confrontations have a habit of flaring out in Australia, the current climate is very bitter, with both sides showing little readiness for compromise.

Reasons for the recent strikes have varied, but all point to the collapse of the limited wage

indexation system in Australia administered for the last four years by the Arbitration Commission, an independent quasi-judicial body. The Government has not produced an alternative wages policy.

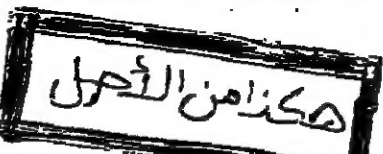
However, amid all these gloomy portents, there are tentative signs of economic recovery. Spurred on by a dramatic boom in the agricultural sector—Government officials estimate that rural incomes doubled during the last year—and a recovery in key commodity prices, Australia may register economic growth of about 5 per cent for the 1979 financial year.

The Government also enjoys a narrow majority of 48 seats in the 126-member House of Representatives, and with 18 months before the next election is due, it is obviously too early to predict the result.

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Prime Minister Fraser . . . actions belie his tough image



UK NEWS

Insurers face large bill for tankers crash

BY JOHN MOORE

THE LONDON insurance market faces one of the largest claims following the collision of two super-tankers near the West Indies coast.

The two oil-carrying super-tankers collided in the Atlantic off the island of Tobago on Thursday night. Both ships, caught fire and the crew were forced to abandon ship.

Thirty-four men were reported missing as the blazing ships drifted towards Tobago. Later, a helicopter reported a 12 square mile patch of oil around the crippled vessels.

One of the tankers, Atlantic Empress, built in 1974 and 282,000 deadweight tons, has an insured hull value of \$45m (£13.5m), of which \$27m is insured in the London market.

The other, the Aegean Captain, built in 1968 and 210,000 deadweight tons, has an insured hull value of \$7.5m, of which \$1.9m is insured in the London market.

London's total insurance bill on the hull insurance could come to \$127m.

This is before any claims for cargo insurance or claims on damages caused by pollution. Underwriters were attempting to calculate their total liability but final estimates could take some weeks because these claims could come through to the London market on reinsurance.

Lloyd's of London's share of the bill on the hull insurance could be between \$5.5m and \$7.5m with the rest of the hull claims in London being met by the insurance companies.

The tankers, both more than 1,000 feet (300 metres) long, collided about 20 miles east of the island of Tobago. They later drifted a mile apart.

All 35 members of the crew of the Aegean Captain and seven men from the Atlantic Empress were picked up. Rescue ships in the vicinity included two Trinidad and Tobago coast guard patrol boats and two commercial tugs.

Aircraft of the Royal Dutch Air Force, based in Curaçao, were also taking part in the search for more survivors.

Chrysler man will head BL venture

FINANCIAL TIMES REPORTER

MR. HARRY SHERON, Chrysler Europe's director of engineering, is to become managing director of a new BL subsidiary, BL Technology.

Mr. Sheron, 53, will join the company in September. He is one of Europe's leading automotive engineers and between 1968-70 he was engineering director of Chrysler UK's cars and trucks division.

The new company has been formed to upgrade the status of BL's advanced technology and engineering work. The move is part of plans by Sir Michael Edwards, BL's chairman, to separate the units of the company and give them new terms of reference.

BL's present activity in the advanced engineering field, carried out at each of its 34 plants, comes within BL Cars' staffs and services division. The

new company will have direct access to BL's main Board, instead of BL Cars Board.

BL said the move indicated the company's increasing emphasis on advanced technology and engineering. The new Board will pinpoint areas of research and development such as new materials, fuel-saving vehicles and the conservation of energy in the manufacturing process.

While BL would not say whether more money would be spent in this area, the composition of the new Board reflects the importance of the company.

The chairman, Mr. J. David Andrews, is vice-chairman of BL. Non-executive directors include Dr. A. J. Kennedy, director of research, Delta Metal.

BL said additional activities might be integrated into BL Technology.

Rank man takes title



Roger Taylor

BY MICHAEL DIXON

THE £2,000 NATIONAL management championship was won single-handedly in London yesterday by Mr. Neil Tennant, of Rank Xerox. Pictured above, he received his prize from Sir Kenneth Cook, the Lord Mayor, finished the computer-based contest with a profit of nearly £13m—£2.2m ahead of a four-man team from Chase Manhattan Bank who took the £750 second prize.

Rank Xerox also won the third and fourth places in the tenth National Management Game to be organised by the

Financial Times, ICL and the Institute of Chartered Accountants in England and Wales. The C&I and the Institute of Directors are associate sponsors.

The £500 third prize went to Mr. Paul Webb, a former European management champion, who was also playing single-handed and finished with £10.3m profit. Rank Xerox's other representatives—a team of three men and one woman—made \$6.9m to win the £250 fourth prize in the championship, which started in January with an entry of 1,007 teams.

Chemical output 5% down

By Sue Cameron, Chemicals Correspondent

THE CHEMICAL industry's output was "severely disrupted" by the road haulage dispute during the first three months of this year, down 5 per cent on the previous quarter, according to the official publication Trade and Industry.

Britain's overseas trade was "also seriously affected" during the first quarter of 1979, with both exports and imports at a "generally depressed level."

The volume of chemical exports was 13 per cent down on the final quarter of 1978 and imports also fell—but only by 3 per cent compared with the "exceptionally high fourth quarter level."

The latest figures suggest that the rapid growth of imports seen last year "seems to be continuing."

On the other hand, provisional statistics also show that the shortfall in the volume of chemical exports has been made up during the second quarter of this year.

Final export volumes for the first half of this year are "likely to be around the same level" as in the first six months of 1978.

Figures for the second quarter of this year are expected to show a general improvement on the first three months.

Recovered

All sectors of the industry were affected by the lorry drivers' strike at the start of the year, but most "recovered strongly in February and March and some further catching up" is thought likely to have taken place during the second quarter of 1979.

Through chemicals output was 5 per cent down on the final quarter of 1978, it was only 1 per cent lower than in the first quarter of 1979.

Sales of principal products in the first three months of this year were £2,003bn, compared with £2,082bn in the fourth quarter of 1978 and £2,008bn in the first quarter of last year.

Trade and Industry says UK chemical companies' problems "continue to be exacerbated by uncertainties over the price and availability of feedstocks, while the continuing strength of sterling is making exports less competitive in international markets and imports more competitive in the home market."

It adds that the cost of materials and fuel bought by the industry rose by 4 per cent during the first three months of this year. By the end of the quarter these costs were about 8 per cent higher than in the comparable period for 1978.

Call to fight European Communism

By Reginald Dale, European Editor

RIGHT-WING parties from 14 European countries are being urged to take a more militant line against Communism at a two-day congress being staged in London by the British Conservative Party.

A report to the conference, which ends today, says it is time to "go from the defensive to the offensive," particularly against European Communism.

Conference participants, all members of the Right-of-Centre European Democratic Union (EDU) grouping of political parties, include Herr Franz Josef Strauss, the controversial Christian Democratic candidate for the Chancellorship of West Germany; and M. Maurice Couvreur de Merville, the former French Gaullist Prime Minister. Last night they dined with Mrs. Thatcher at Number 10 Downing Street.

The sub-committee report, due to be discussed today, maintains that if an Eurocommunist party gained power in a democratic country "no aspect of the democracy in which EDU members believed would long survive."

Jenkin told health squeeze may bring hospital closures

BY PAUL TAYLOR

THE £90m to £100m health service spending "squeeze" announced by Mr. Patrick Jenkin, Social Services Secretary, earlier this week will lead to cuts in hospital services, falling standards and could even mean ward or hospital closures, warned a regional health authority chairman yesterday.

Baroness Robson, chairman of the South West Thames Regional Health Authority, which covers 5m people and has 500 hospitals and health centres under its control, said it is now "inevitable" that services will be reduced and standards will fall.

Lady Robson said she was "most concerned" that the public should be made fully aware of the effects of "these enforced cuts" since it is the public which will have to suffer.

Alternatives

She urged Mr. Jenkin to do effects of the spending squeeze which she claimed would "lengthen waiting lists, cut the services to emergency only, seriously hinder nursing and medical training and impose inevitable risks to jobs."

Lady Robson added that to balance the health authority's books, the only alternatives were to close more wards or even hospitals.

Her warning, contained in a letter to Mr. Jenkin, follows similar statements from other health authorities, particularly those in the South East.

Health authority members and administrators believe the Government's decision not to increase cash limits on health expenditure to cover price inflation and the effects of the increase in VAT amounts to "cuts by the back door."

Mr. Jenkin said in the Commons on Tuesday that the decision not to increase cash limits on the £4.3bn allocated to the 14 regional health authorities in England, except to cover agreed pay awards, would result in a shortfall of between £90m and £100m. Of this he suggested £35m to £40m was due to the increase in VAT and the remainder was attributable to other inflation.

Mr. Jenkin urged health authorities to concentrate their efforts on making savings on headquarters staff and administrative services, although he accepted that there might have to be some temporary ward closures.

Health authority treasurers throughout the country are now engaged in the task of trying to make savings without harming patient care but the problem is particularly difficult in the four Thames regions.

This is because although 1979-80 spending allocations were increased in real terms throughout the country, the increase in the four Thames regions was significantly smaller than elsewhere. As part of the programme of distributing resources more fairly throughout the 14 regions, real spending in the four South-East regions was increased by an average of 1.3 per cent compared with an average of almost 2.4 per cent in other regions.

Although Mr. Jenkin recognises the difficulty some of the regions will have in staying within the spending limits, he considers some of the problems are being overstated.

He has also hinted that small hospitals threatened with closure might be leased to voluntary groups at peppercorn rents so they could run them themselves.

Such situations might arise from non-compliance with accounting standards, but not necessarily.

The hearings, the committee's first in London, covered evidence from interested individuals and bodies on its consultative document, *Setting Accounting Standards*. Previous hearings have been held in Glasgow and Dublin.

In spoken evidence, Mr. Nissen suggested that much of the confusion over enforcement had arisen because of lack of clarity over the term. "Those who have written so freely about enforcement are in reality, I suspect, talking about compulsion."

On Thursday, Mr. Dennis Tripp, of Pannell Fitzpatrick and Co., the accounting firm, had argued at the hearings that enforcement of standards for listed companies should lie with the Stock Exchange.

Support for the Stock Exchange's view of suspension came from Mr. Michael Renshall, of the Peat, Marwick, Mitchell accounting firm.

However, in his evidence, he proposed an independent forum or tribunal if the Stock Exchange was unwilling to extend its role through public administration to directors and if public concern with the present system became apparent.

Brewers agree to pub swaps

BY OUR CONSUMER AFFAIRS CORRESPONDENT

AN EXCHANGE of 11 public houses has been agreed between two southern-based brewery companies.

Charlington, the south-east trading company of the nationwide Bass brewery group, is to transfer seven pubs to Fuller, Smith and Turner. In return, Charlington will receive four Fuller houses. The first pub to change hands will be the Adam

British Airways DC-10 has 15-in. crack

BY LYNTON McLAINE

A DC-10 AIRLINER leased by British Airways has been grounded at Heathrow Airport for at least a week after a 15-inch crack was found in an engine pylon.

But Air New Zealand, which owns the aircraft, denied last night that the crack was connected with the pylon failure that led to the grounding of the world DC-10 fleet last month.

Nevertheless, Air New Zealand said the latest crack is similar to cracks found in other wide-body aircraft, including Boeing 747s.

The crack was discovered on Tuesday in one of the new series of maintenance checks carried out every 100 hours in accordance with instructions from the U.S. Federal Aviation Administration.

A British Airways engineer, working under contract to Air

More Home News on page 19

New Zealand, found the crack, which was invisible to the naked eye, with testing equipment.

Air New Zealand said that the cracked part separated the metal skin of the engine pylon from the pylon's structure. The part itself was not part of the structure and was not critical to the safety of the pylon or the aircraft.

British Airways is waiting for a replacement part to be flown in from the U.S. Meanwhile, Air New Zealand's seven other DC-10s have been checked and no similar cracks found.

The grounding of the aircraft chartered to British Airways is not expected to affect DC-10 services to Los Angeles, Miami and Toronto. They will be operated with other aircraft.

New public spending cuts sought

By Richard Evans, Lobby Editor

MR. JOHN BIFFEN, Chief Secretary to the Treasury, confirmed last night that Ministers faced further substantial cuts in their departmental budgets during the next financial year.

A special Cabinet meeting has been called for Monday to seek major pruning of spending estimates for 1980-81, of between £500m and £1bn. These will be in addition to the cuts of £3bn announced for this year in the Budget.

Mr. Biffen, the Minister chiefly responsible for public expenditure policy, said in a speech to South-East Derbyshire Conservatives that public spending cuts were bound to be painful and unpopular.

"But within the strategy of a five-year plan, the pruning of the 1980-81 spending estimates is not only logical, it is desirable," he said.

Mr. Biffen was deeply pessimistic about prospects for the next financial year. He said 1980-81 was unlikely to show much economic growth and "one can only view the economy through a glass darkly."

There was formidable circumstantial evidence to suggest that the Western world was set on a lower growth path and this had important implications for next year's Budget.

The Chancellor needed the certainty of tight control over public spending. "He simply cannot cross his fingers and hope that economic growth or oil revenues will, like Blucher at Waterloo, turn up just in time."

Bank creditors face deficiency of £300,000

CREDITORS OWED more than £7m by Kendal and Dent, merchant bankers and silver dealers, now face a deficiency, estimated at £300,000.

Mr. John Clementson, the senior official reporter, told a London meeting yesterday that a surplus of assets over debts, shown earlier, was unlikely to be achieved.

The company, said to owe money to thousands of investors in Britain and Portugal, was wound up on June 15, on a petition presented by the Trade Secretary.

The company had offices in London, Wolverhampton, Southampton, Bristol and Westgate-on-Sea.

Mr. Jose F. Forestello, company chairman, said that he acquired the company in 1975. At first it traded modestly under his control, providing a limited banking service to Portuguese immigrants.

LABOUR

Corby steel men in call for national strike

BY NICK GARNETT, LABOUR STAFF

A MASS meeting of 5,000 workers at British Steel Corporation's Corby works yesterday overwhelmingly supported a call to all steel unions to instigate a national strike if the corporation issues firm proposals for the shutdown of manufacturing at the Northants plant.

Mr. Mick Skelton, secretary of the joint union committee at Corby said the workforce had realised that "in order to bring some sense into the corporation we need a national strike."

British Steel is intending to run down and finally end iron and steel making at Corby because it says manufacturing there causes an unacceptable financial drain.

National and local union officials and management are to meet at Corby on September 20 to discuss figures both sides wish to produce to support their opposing positions on the plant.

Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, the biggest steel union, said last night that in the meantime "there would be no question of us agreeing to any precipitate action."

The unions would be attempting to prove the viability of Corby. "We should be able to do that," said Mr. Sims.

If the corporation then went ahead with the closure Mr. Sims would seek support from the union's executive to back the Corby workforce in full. Other steel unions would act in concert.

Yesterday's decision by the Corby workforce is apparently in on a conditional on what the unions can show the corporation.

The corporation intends sending low-cost steel from new plants in Scotland and on Teesside to supply the finishing mills at Shotton, North Wales and Corby.

Sir Charles Villiers, the British Steel chairman, is due to visit Shotton on Tuesday to meet members of Clwyd County Council, which has been very critical of the corporation's decision to end iron and steel making there.

The Transport and General Workers' Union has given its Wales regional committee powers to take appropriate action to keep open the Shotton plant.

Courts may be hit by staff strikes

BY GARETH GRIFFITHS, LABOUR STAFF

SELECTED STRIKE action by the staff of magistrates' courts could start at the beginning of next month following the collapse of pay talks between the Association of Magistrates' Officers and local authorities yesterday.

The association, which represents 6,000 staff outside London, wants rises of between 20 per cent and 25 per cent and staff restructuring. Three-quarters of the staff are clerical and administrative workers and the remainder sit as justices clerks assistants.

The local authorities sitting with a committee of magistrates, have offered 12 per cent and comparability study by the Clegg Commission. They have guaranteed that Clegg's findings would be implemented in full by January, 1980. The offer is made up of 9.4 per cent new money and the rest from staff restructuring. It would be backdated to July 1.

The association has said it would take industrial action if its claim was not met. It rejected yesterday's offer and no plans have been made for fresh talks.

Both sides met Mr. William Whitelaw, the Home Secretary, yesterday morning. The Home Office supports the employers' offer.

Talks aimed at ending a series of strikes throughout the country by technologists in the Institution of Professional Civil Servants were adjourned until Monday.

The strikes have hit mainly Ministry of Defence installations

and the Royal Mint. The institution's national executive yesterday rejected a Government offer to refer the way in which the technologists pay increases were fixed to arbitration.

Mr. Bill McCaff, general secretary of the institution, reported the offer to the union's executive yesterday afternoon. It was against arbitration as a matter of principle.

Devonport Dockyard was at a virtual standstill yesterday because of action by the Association of Government Supervisors and Radio Officers in support of the IPCS. Two hundred recorders in charge of worksheets walked out and industrial workers refused to work because bonus payments could not be guaranteed.

Customs staff at Heathrow cargo village walked out yesterday in a protest against a management proposal to cut their numbers from 180 to 90. The staff are members of the Society of Civil and Public Servants.

Miss Judy McKnight, its Customs and Excise national secretary, said there would be disruption throughout the country by SCPS members in protest against Government staff cuts.

ASTMS blow

THE ADVISORY, Conciliation and Arbitration Service has decided that it would not be justified in recommending the Association of Scientific, Technical and Managerial Staffs for collective bargaining at Minister Insurance.

Unions to resist sale of State shipbuilding yards

BY RAY PERMAN, SCOTCH CORRESPONDENT

SHIPBUILDING shop stewards on the Clyde yesterday threatened "massive resistance" to any Government move to sell parts of the nationalised shipbuilding corporation—particularly the profitable naval building yards—to private enterprise.

The workers were reacting to reports that Yarrow and Company was interested in buying back Yarrow Shipbuilders, the Glasgow warship yard.

Yarrow and other warship builders, including Vosper Thornycroft, have already had informal talks with the Gov-

ernment about the possibility of repurchase, perhaps as a consortium buying all British Shipbuilders' naval yards.

Private sector interest has also been expressed in the Hull Russell yard, Aberdeen, and Falkmouth Shiprepair.

But the Government, which will make a policy statement on the shipbuilding industry on Monday, is anxious to resolve some of the difficult questions over the merchant building yards before thinking of returning the naval yards to private ownership.

Cargo ship back-pay dispute is settled

A FLAG-of-convenience shipowner whose 500-ton cargo vessel was stopped in Aberdeen harbour by union action over a back-pay dispute has agreed that his vessels will register under the UK flag.

A settlement was reached during midnight negotiations between the owner and Mr. Harry Bygate, local National Union of Seamen official and representative of the International Transport Workers Federation.

The settlement allowed the Panamanian-registered Frederika to leave for the Continent early yesterday.

The ship, which had earlier discharged a cargo of fertiliser from Rotterdam, was held in port by Mr. Bygate after complaints from the six crewmen over the level of wages.

The owner agreed to register his two cargo ships of approximately 500 tons each under the UK flag within 15 months. The vessels will then have to pay

agreed rates for seafarers as determined between UK shipowners and the British Seafarers Joint Council, representing the unions.

The settlement also included an investigation into the back-pay claim by the seamen, which Mr. Bygate said it might involve a few thousand pounds.

A week-long unofficial strike of 250 dockers on the Mersey which has halted the coastal section at Liverpool is to go on. The men, who are employed by the Mersey Docks and Harbour Company, will not meet again until next Wednesday.

They are seeking specialist payments under the negotiated annual wage award already accepted by the 6,000 dockers in the port. They ignored advice that no more money is available.

The stoppage has halted the movement of freight between Liverpool and the Irish ports of Dublin and Belfast, but the car ferry services are operating normally.

NEWS ANALYSIS—LIQUIDATION OF BRITISH TANNERS

End that could no longer be staved off

THE COLLAPSE of British Tanners Products (BTP) has been predicted since its formation in March, 1977. Barrow, Hepburn, which previously owned "the whole of" the company, admitted that it "was not in the group's interests to meet the growing capital needs" of BTP. It looked for help to the National Enterprise Board.

The board took a half-stake in the company by way of injecting into it £2.5m of loan stock and £1m of equity. It thus obtained, a 50 per cent interest in a company that was making a loss after interest charges.

Almost immediately, the rest of the industry raised a hue and cry. The industry was in recession and the presence of a state-backed competitor would not make matters easier. In any case, they believed,

BTP was not a going concern because of the loans it had to repay to Barrow Hepburn: £10.4m in total gross.

Within months, the subject was raised in Parliament after an exchange of letters between Mr. Michael Grylls, Conservative MP for Surrey, North-West, and the board, in which Mr. Grylls expressed fears that taxpayers' money was being wasted.

By the end of 1977, pre-tax losses at BTP had grown to £2.4m and the board and its partner were embarked on a big rationalisation programme that involved closing the biggest tannery in Beverley, reducing production at Bolton and entrenching at Hull.

That was insufficient to prevent the company from bleeding to death. The following February, the board injected a further £1.4m of equity into the group.

Still losses continued. At the end of last year they were £480,000 before tax, and Barrow Hepburn saw fit to write off its investment. Sharp rises in hide prices were given as the main reason, although hopeful noises were made about the future.

Unfortunately, the first quarter of this year saw hide prices rise again. That with the effect of the lorry drivers' dispute, made recovery almost impossible.

Now, although BTP is said to be trading successfully again, it is unable to service its interest charges and a receiver has been called in.

As predicted by Barrow Hepburn and the tanning industry from the start, BTP was a capital-hungry enterprise that could not be satisfied because of its fundamental weakness.

It had never proved profitable under its former ownership and even two years of hard work have not produced a return on capital that would have encouraged any commercial bank to provide it with finance.

It could have kept going, no doubt, if the board had been prepared to put yet more capital into the business, but even it could see that it would have been good money after bad. The £4.5m it has invested has simply evaporated.

What seems to have happened last week is that attempts failed to get someone else to take over the company by way of a bid. At that stage it meant either more capital from the board, or receivership.

The receivers intend to keep the business ticking over while they carry out a thorough review. That announcement will

lift no hopes, however. The group has been under review constantly since 1978: first by Barrow Hepburn, then by the board.

It seems that it will not be long before the stocks and plant are divided among its competitors who need no longer fear unfair competition.

All that will then be left is the political squabble as politicians call for an inquiry into how and why the Government poured £4.5m into a company which, it was warned, had no future.

Taxpayers will also note, as a wry footnote, that one of the largest, if not the largest, secured creditor standing in line with the Department of Industry, in 1976 it lent Barrow Hepburn £1.9m, which was later transferred to BTP. Of that, £1.5m is still outstanding, with £240,000 of accrued interest.

BY CHRISTINE MOIR

THE WEEK IN THE MARKETS

A chorus of export complaints

Once again, the foreign exchange markets grabbed all the attention this week as sterling continued to roar ahead in comparison with every other major international currency. By Thursday night, the pound was showing an appreciation of 5 per cent against the Deutsche mark since the beginning of June: over the same period, the rise was 6 per cent against the franc, nearly 9 per cent against the yen, and 11 per cent against the U.S. dollar.

Yesterday, the sterling rate wobbled a shade. Yet, despite the announcement on Wednesday of further relaxations in exchange controls—to a degree that would have seemed unthinkable only a few months ago—it looks as though the pound is going to continue strong in the immediate future.

One result is a growing chorus of complaints from those British manufacturers who are now really beginning to suffer from the deterioration in their terms of trade. An analysis by Datastream shows that shares in Wedgwood have been weaker than those of any other big company this week, following its warning that currency movements are going to make its first quarter figures look disappointing. Gestetner shares have done only a little better, and it too has been telling a sad tale about the effect of currency changes on its future earnings. Hanson Trust and Rothmans are

Steaming ahead

Having been the most unloved sector of the stock market for months and months, shipping shares have recently taken off. The share price of P and O has risen by 44 per cent from its

LONDON

ONLOOKER

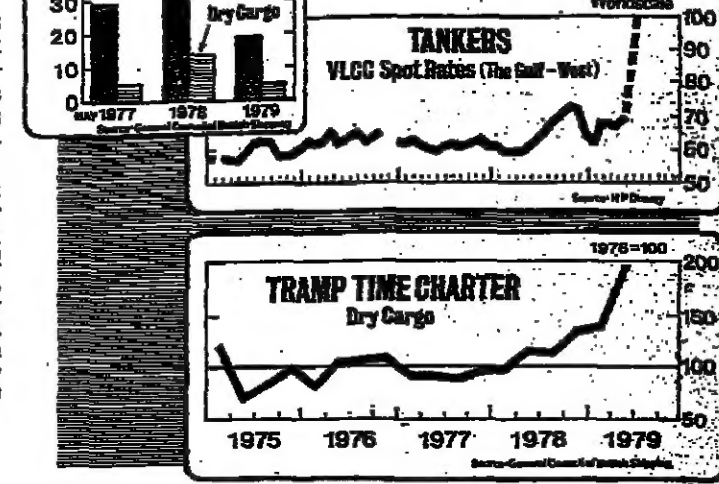
1979 low point and among the smaller shipping companies there have been some spectacular gains. The shares of Hunting Gibbon and Reedman Smith have roughly trebled from their year's low. Both companies were under pressure during the depths of the shipping recession last winter but the upturn in

freight rates has led to a fundamental change in their fortunes. Given that the world economy is not looking particularly buoyant, the strength of shipping freight rates recently is slightly surprising. In the oil tanker market the situation seems to be a temporary phenomenon. The increase in Saudi Arabian oil output caught a number of tanker owners off-guard and there has been a mad scramble for all tonnage available. Rates for the biggest oil tankers known as VLCCs (very large crude carriers), which had been languishing at under Worldscale 40 for most of the year, have doubled in the last fortnight. Although the number of laid-up tankers has fallen steadily there is still excess capacity and once the current temporary shortage has disappeared, owners expect rates to fall away. Nevertheless, companies such as London and Russian Freighters should be able to make handsome profits in the short term.

In the dry cargo market, where rates for a 60,000 dwt bulk carrier have trebled this year, the turnaround looks more lasting. There are very few new ships being delivered and the combination of a bad harvest and the rise in the oil price is leading to a big increase in demand for ships to transport grain and coal. Unfortunately many British companies have been selling off

Churning questions

There continue to be a number of puzzling aspects to the deal announced last Tuesday in which Unigate sold off 16 creameries to the Milk Marketing Board, a co-op owned by Britain's 47,000 dairy farmers. Why should Unigate try to pre-empt a disposal worth some £88m as being worth only £43m? Its Press release deducted the value of stocks and a capital gains tax charge in emphasising the lower figure. Secondly, why should the company be so coy about the effect of the sale on the company? The MMB, certainly, is clear that the assets in question have not been earning a good return for Unigate. Thirdly, why was there no agreement that Unigate should contract, at least for a time, to



take all or part of the output of the creameries which it is now selling? The common theme underlying these curiosities could be that Unigate is happier than it wished to appear to be in getting shot of most of its dairy manufacturing operations, while the MMB is more anxious than it may seem in taking on the role of Britain's biggest producer of butter, hard cheese and skimmed milk powder. The background is one of ever-growing milk production in the Common Market, and a series of mergers among big Continental dairy farmers' co-operatives in the Netherlands and France. Big gains are being ranged on the UK market for dairy products.

Unigate will now be free—assuming the Monopolies Commission does not interfere with the deal—to buy most of its butter and cheese where it can find the best price and quality. Its share price has risen 13 to 85p since the deal, and an excellent set of 1978-79 results were announced—so the stock market has certainly responded enthusiastically to this major restructuring.

Ladbroke licences

An innocent observer might have thought it was a lawyers' debating match, a Press conference or an outpost of the Stock Exchange. It was, in fact, the hearing of Ladbroke's application to renew four of its London casino licences. The Methodist Fellowship Hall was the unlikely setting for dramatic scenes on Monday afternoon as Mr. Cyril Stein, chairman of the Ladbroke Group, hurried out before one of the magistrates had finished saying that the applications were refused since the Ladbroke subsidiaries were not "fit and proper persons."

Jobbers from the Stock Exchange were hot on his heels, chasing to the only two telephones in the building to mark Ladbroke's shares down 27p to 175p. In fact, few other observers were left in the room to hear what the magistrates had decided not to award casino licences to the Ladbroke Group's applications—the police and the Playboy Club. Naturally, Ladbroke will be appealing the decision but if this falls the loss of its London casino licences will be a blow to the company's history. Ladbroke is on about revealing how much of last year's pre-tax profits of £41.5m came from casinos but it is generally reckoned to be around half and the vast bulk of this was earned by the lucrative London casinos. This year the group should make close to £50m but if the casinos are left out the figure drops to £25m of which roughly a third comes from bookmaking. Assuming no casino profits, the group is selling on around nine times earnings and yields 6.5 per cent.

DCL confidence

Distillers produced handsome results during the week and the dividend rise of over a third is a clear expression of confidence but probably in the U.S. market which accounts for around one quarter of spirits sales—must be causing some anxiety. The 13.5 per cent price rise to the U.S. announced yesterday may succeed in holding margins against a falling dollar but will also put market share under pressure.

Since the price rise in February, the sterling value of a case of scotch to the U.S. market has fallen from around £8.7 to £8.35, which compares with \$10.40 for deliveries to the EEC.

Political games

NEW YORK

JOHN WYLES

UNLIKE SEVERAL members of Mr. Carter's Cabinet, the Stock Market kept its head this week. The market's behaviour during one of the most astonishing weeks ever in Presidential politics underlines yet again the different priorities of the President's political constituency in Washington and his financial constituency in New York. Both the manner in which Mr. Carter is changing personnel and the subjects of those changes have been very strongly criticised by a broad cross-section of Senators and Congressmen who have argued that the focus of the changes ought to have been on the White House staff and that sweeping out the heads of three major departments creates uncertainty and lack of direction at the centre.

As this column pointed out last week the investment community does not thank God for Jimmy Carter every night. Many of its opinion leaders agree with most of the criticism of the President's conduct this week which has been uttered in Washington. But while the Washington constituency has been uttering increasingly raucous judgments of the President's style and political fitness or lack of it, the men of affairs on Wall Street have been more quietly struggling to make up their minds about the impact of the week's events on the value of their investments over the months and weeks ahead.

The process began on Monday when the market started digesting the President's energy speech delivered the night before and culminated yesterday in the midst of the somewhat jarring revelation that real Gross National Product had declined 3.3 per cent in the second quarter. But and large, the market was not impressed by the sight of a more vigorous Mr. Carter propounding a new energy policy which in Wall Street's opinion, as it emerged on Monday and Tuesday, contained very little new. The unexpected element, however, which touched an ideological nerve was the apparent extension of Government power and control, both through the creation of a synthetic fuels industry and an energy mobilisation Board designed to rub the sleep out of bureaucratic eyes which

is delaying many new energy projects. As a cautious venture some investors purchased stocks in such enterprises as coal-carrying railroads like Burlington Northern and manufacturers of coal processing equipment such as Joy Manufacturing and Ingersoll Rand.

One of the main concerns about the President's speech was that it did not offer much immediate relief beyond oil import quotas based on a very generous ceiling on the existing foreign dependency on foreign oil. This shortcoming of course, was very quickly noticed in the foreign-exchange markets which during the balance of the week have played the tune to which Wall Street has danced. Tuesday and Wednesday were bad days for the dollar and only a late rally in the foreign exchange markets saved the Dow Jones Industrial Average from falling around seven points on Wednesday.

The dollar could continue to lead the market for some time and in this context the substitution of Mr. G. William Miller, the Federal Reserve Board Chairman, for Mr. Michael Blumenthal, the Treasury Secretary, could be important. In New York, the effect of the change is thought likely to be neutral for a moment, at least. After a rocky period last summer, the Administration has come to appreciate Mr. Miller's desire to avoid deepening any recession by sharp increases in short-term interest rates. Even if this has meant tolerating larger increases in the money supply than were planned, Mr. Miller's priorities are unlikely to be changed by moving to the Treasury and so Wall Street's now dampened hopes for tighter control of the dollar will persist. The first test of what will happen if pressure on the dollar continues to recur later in the year, and the second is will the Administration appoint someone of the strength and independence necessary to run the Fed when a former Chairman of the Board is running the Treasury. The outlook for the dollar is extremely uncertain and the strongest anxiety in New York is that Mr. Miller's commitment to Mr. Carter's political goals might weaken his resolve to use higher interest rates as a means of deflation or recession to prop up the dollar.

MONDAY 234.90 +1.37
TUESDAY 234.50 +0.40
WEDNESDAY 233.50 -0.03
THURSDAY 237.30 +1.28

MARKET HIGHLIGHTS OF THE WEEK

Ind. Ord. Index	Price Today	Change on Week	1979 High	1979 Low	
Govt. Secs. Index	73.37	+ 4.6	558.6	446.1	In wake of gilt-edged
Allied Colloids	105	+12	123	68	Sterling prompts heavy demand
Birmingham Mint	175	+19	175	126	Better-than-expected results
Compagnie Bancaire	643	- 5	681	643	Good preliminary figures
Distillers	234	+18	259	198	Relaxation in exchange controls
Dowry	317	+20	357	252	Dividend increase pleases
Ellis and McHardy	180	+112	180	67	Dividend rise/capital proposals
Gestetner A	103	-12	153	103	Bid from Canadian concern
GUS A	384	+24	448	288	Disappointing interim profits
Jacksons Bourne End	130	-30	175	72	Record profits
Ladbroke	180	- 9	243	167	Inland Revenue probe Rosminster
Magnet and Sothorns	198	+28	198	130	Casino licences refused
Mincor	105	+11	105	64	Excellent annual results
Nagretti and Zambra	49	-10	86	45	Bid from Burnet and Hallamshire
Pye Holdings	165	+49	168	76	Dividend cut and profits slump
Reardon Smith A	86	+13	88	32	Agreed bid from Philips
Spillers	43	+ 5	49	30	Increased freight rates
Tricoville	84	+12	95	44	Revived speculative demand
Unigate	94	+13	96	70	Renewed bid rumours
					Deal with Milk Marketing Board

U.K. INDICES

FINANCIAL TIMES

Average	July 20	July 13	July 6
Govt. Secs.	73.18	72.89	73.19
Fixed Interest	74.46	74.62	74.51
Indust. Ord.	472.8	469.5	473.4
Gold Mines	164.9	162.4	162.1
D.O. (Ex 5 pm)	152.8	148.9	152.1
T'ble. bargains	16,053	16,009	17,542

FT ACTUARIES

Capital Gds.	242.16	240.94	243.34
Consumer (Durable)	227.39	225.58	228.53
Cons. (Non-Durable)	233.50	232.24	234.36
Inds. Group	234.02	231.69	235.52
500-Share	268.41	269.04	271.30
Financial Gp.	191.74	190.05	193.33
All-Share	245.82	246.17	248.67
Red. Debs.	57.83	57.50	57.58

Future levels in the value of sterling are the key to the real impact of the Government's latest moves on exchange controls. Richard Lambert assesses the position.

The day they gave the pound a passport

THIS WEEK brought the latest step in a process whereby UK exchange controls are being progressively dismantled. As the authorities were quick to point out, the effect of the changes is unpredictable since everything depends on the level of confidence in the relaxation in the rules announced in last month's Budget. UK residents have been given substantially greater freedom to move their money overseas. Direct investments. Official exchange available without limit for all outward direct investments in factories, company acquisitions and the like, although official approval is still required. Foreign currency borrowing taken at any time to finance such investments can now be repaid at the official exchange rate. Portfolio investments. Investments in most securities denominated and payable solely in the currencies of other EEC countries should now be made at the official exchange rate rather than through the dollar premium.

Foreign currency securities issued by international organisations of which the UK is a member—like the European Investment Bank or the World Bank—will now be bought at the official exchange rate rather than through the dollar premium.

Foreign currency borrowing taken by UK residents to finance portfolio investment overseas may now be repaid at the official rate provided that such loans have already been outstanding since July 18, 1978. The securities which have been financed by such loans will not be eligible for the premium when they are resold. Instead

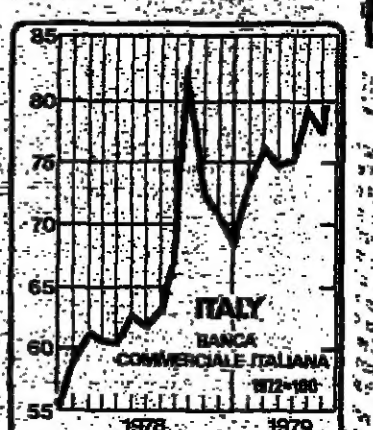
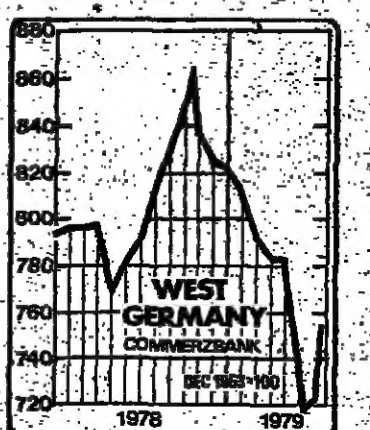
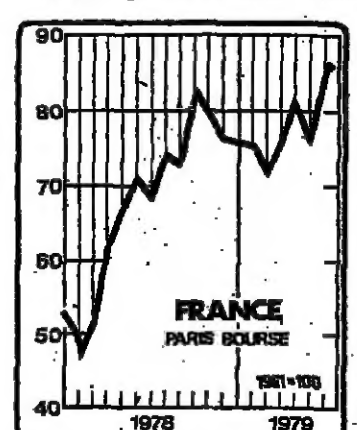
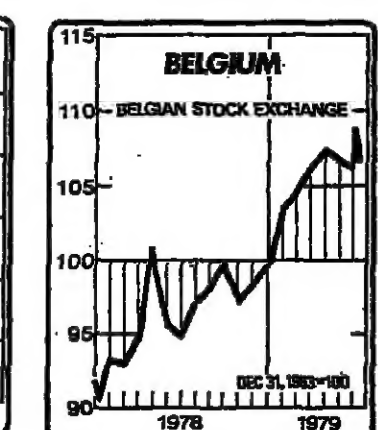
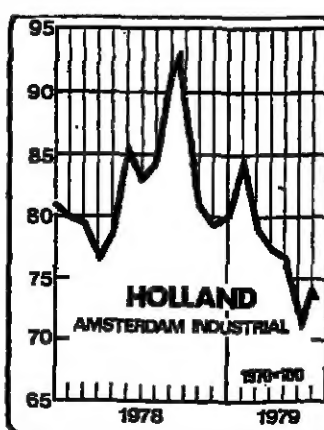
they will be classed as "restricted" securities. These can be freely switched into other foreign currency securities (which in turn become "restricted") but are not eligible for the premium when the proceeds are brought back to the UK.

On newer loans, the old restrictions still apply, which means that investors may at times be obliged to buy investment currency to comply with their obligations under the Exchange Control Acts. However, as a result of the Budget changes, investors no longer have to maintain cover in the form of foreign currency securities or investment currency equal to 115 per cent of the value of their loans. And interest payments on such loans can be made at the official exchange rate.

Personal Allowances. There were no additions this week to the main Budget concessions, as a result of which:

- Purchases of property abroad no longer have to be made with investment currency, and sales of such properties are no longer eligible for the investment currency premium. Payments to non-residents for the purchase or improvement of such properties can be made at the official rate up to an annual limit of £100,000 per family. Anything in excess of this can be borrowed to be repaid within subsequent annual limits.
- The limits on foreign exchange facilities for travel expenditure abroad which may be provided to UK residents by banks and other authorised agents without reference to the Bank of England is £1,000 per person (£200 per day, £5,000 per journey for business travel) and the limit on foreign currency

Dollars	Coupon	Date	Yield %
EIB	9 1/2	86	9.99
EIB	9 1/2	99	10.15
EIB	10	99	10.04
CECA	6	88	7.33
EIB	6 1/2	91	7.28
World Bank	6 1/2	88	7.30
World Bank	4 1/2	89	4.07
Yen			
Asian Development			
Development Bank	5 1/2	88	7.86
Guiders			
EIB	7 1/2	85	9.15
French Francs			
EIB	9 1/2	88	11.46
Eurosterm	9 1/2	87	11.65



Scars of 1972

REMEMBER 1972. That is the warning for any UK investor who risks becoming over-excited about the possibilities opened up by this week's relaxation in the rules for portfolio investment overseas.

That was the year when Britain was full of Common Market enthusiasm, and when it seemed that London was about to become the centre of a great European capital market. Sophisticated UK investors were going to sweep through the primitive European bourses ironing out the anomalies and making themselves a pile in the process.

As always, the marketing men were quick to respond, and a string of unit and investment trusts was launched to specialise in the shares of companies quoted in continental Europe. Almost without exception, they have been grisly failures.

The fund managers' biggest error stemmed from the way that they financed their overseas portfolios in the first place. Many of the investment trusts hit on the bright idea of borrowing Swiss francs because they were "cheap" and investing the proceeds in countries like France, Holland and Italy. The result was that their assets were literally smashed by the violent swings in exchange rates which took place in the mid-1970s.

The scars have not healed quickly. The Investment Trust

Year Book lists four funds which hold more than 35 per cent of their assets on the continent—F & C Eurotrust, Scottish European Investment Trust, Covent European Trust and Sizewell European Investment Trust. Of the four, Sizewell had the smallest proportion of its assets invested in Europe at the end of last year—and it was the only one which could boast that

Caution is the word

A LOT of inquiry but not a great deal of action—in the last couple of days, that has been the general experience of those UK stockbrokers which have some knowledge of Continental securities. This cautious approach is appropriate. In the first place, it is holiday time on the Continent and the bourses will be pretty well deserted until the end of August. So it is not a time to make big strategic decisions.

Moreover UK fund managers have a lot of learning to do about markets in which they have not traditionally shown a great deal of interest. It has been estimated, for instance, that the average investment trust only has about 2 per cent

of its assets per share in 1978 were higher than in 1973. F & C and Scottish European were still way below that level.

The unit trusts generally have a pretty miserable record too. There are around half a dozen smallish funds with a bias towards continental Europe, and most of them are clustered together at the bottom of the performance tables—whether based on short or longer term price performance.

Admittedly unit and investment trusts provide a convenient and relatively cheap route to the

continent for an investor who wants to add to the international flavour of his portfolio. But they have not been made dramatically more attractive to new investors by this week's events, since most of them had already reduced their exposure to the dollar premium to a tiny figure anyway. The only real advantage for these funds from the new rules is that it should become easier for them to finance their assets in an efficient and flexible manner.

Moreover the message of the last decade has been that any once again more than four D-marks to the pound.

The German stock market has looked much grimmer in the past few weeks after a poor performance through the first half of this year, and the bulls argue that the underlying economic prospects compare favourably with those of pretty well every other developed country in the world. However, there is a big disincentive for foreign shareholders in German equities—they cannot make use of the tax credit on dividends which is imparted to resident shareholders. This means that an effective yield to a UK resident is reduced to only about 9 per cent.

On the bond market, however, yields of 8 per cent are available—which look tempting in the context of the long-term rate of domestic inflation. The UK currency has appreciated by 5 per cent against the German since the beginning of June, and there are now

one who wants to aim at the continental bourses would do better to use a rifle than a blunderbuss. A number of individual securities may seem to offer particular value at any one time; German bonds could be an example at present. But continental Europe as a whole has not been a good place to invest money during a period when it has usually been far more important to select the right currency than to pick the best shares.

very large real rates of return are available—at least in terms of the Deutsche Mark. Equities in France have performed very well for over a year, but this is a volatile market and one which it can be difficult to get out of when the heat is on. Share prices have been sustained by the weight of money coming from private investors as a result of tax incentives.

France is one of Europe's more vulnerable economies when it comes to higher oil prices, and its trade balance has been coming under pressure. In these circumstances a steady tightening of credit has been necessary to sustain the franc and the conventional wisdom is that this will continue to be the case for some time to come. It is not, therefore, the case that the stock market might have been a good place to invest in the

Exchange	Market Value (domestic equities) £m	Turnover (all securities) £m	Yield %	P/E	Share price performance (% change in period to end June) 3 months	12 months
Amsterdam	13,012	10,635	6.7	5.3	1.5	15.0
Brussels	6,171	1,874	10.9	15.7	-2.8	16.6
Copenhagen	1,164	1,689	6.3	5.4	-5.2	2.9
Germany (Assoc. of Exchanges)	41,026	n.a.	5.8	9.3	-6.7	3.3
Milan	4,807	n.a.	2.5	n.a.	-1.3	29.4
Paris	22,246	n.a.	5.7	25.2	11.5	32.8
UK	63,342	69,384	5.9	7.6	-2.8	18.6

Market value at the end of 1978. Turnover in 1978. Sources: The Stock Exchange; Capital International.

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PROPERTY

Harrow's Hill

BY JUNE FIELD

TWENTY-FOUR HOURS seven-days-a-week "Phone A Home" is a computer-style service just started by Dexter Moscow, Middlesex estate agent, to supply details of residential properties over the telephone. When I rang the special number, 01-863 6669, there was a power-failure, so the service was not in operation. Mr. Moscow was most upset, because in the normal course of events I would have heard him on tape, giving an up-to-the-minute selection of about a dozen or so properties in the Harrow, Kenton, Wealdstone, and Watford areas.

Actual addresses are not given, but between approximately 9 am-7 pm daily, including Saturdays, you can get full details on their normal telephone number, 01-863 6666. On a Sunday a transfer system is being organised whereby individual enquiries can be dealt with, and a caller's mortgage-status established.

Mr. Moscow feels that with all the sophisticated equipment now available for concentrated sales and marketing techniques, there is no excuse for estate agents not to provide a full seven-day service for both seller and purchaser. "What people want is a combination of professionalisation and 100 per cent service at all times."

Currently on offer was a luxury two-bedroom purpose-built apartment on Harrow-on-the-Hill, £36,950, a three-bedroom "semi" with gas central heating in Harrow Weald, £24,500, and a house with a similar accommodation in South Harrow, £29,000. Overlooking the playing-fields of Harrow was a luxury two-bedroom ground-floor apartment, £48,950. If you want printed particulars of properties contact Dexter Moscow, Harrow and Wealdstone Station Forecourt, The Bridge, Harrow, Middlesex.

Property moves fairly quickly in Harrow on the Hill, which houses Harrow School, founded in the 16th century by Middlesex property-owner John Lyon. Nikolaus Pevsner in the *Middlesex* volume of "The Buildings of England," 1951, mourned the fact that there was little separation between town and school. "They have instead grown into each other, until in the end the school has sucked so much of its life-blood out of the town that we can now only with difficulty reconstruct the pre-school or even pre-Victorian appearance of Harrow-on-the-Hill."

Yet, even nearly 40 years on, there is really no cause to complain about the scholarly ambience. At the foot of the Hill I observed the wooden seat, somewhat neglected, commemorating Louis Morarty, 1930: "Scholar, Philosopher, Friend, Harrow Master 1889-1917." Up in the busy High Street is the rather Spartan window of Hills and Saunders, photographers. "Under the patronage of Harrow School," with its display of Leavers' Book, dusty booster and portrait of Head of School, and the local estate agents, Wilson Hawkins and Co., are in an old cottage by the Harrow Tuck-Shop—its window displaying such stuff of life as Brevet, Cakes, Pepsi Cola and Lyons Maid Ice Cream.

Before you get to Gieves, Harrow school stores, have a meal at an excellent French restaurant curiously christened



Above, right, a four-bedroomed, three-storey detached country residence in Shamley Green, near Guildford, is currently on the market with Mann and Co. This is an interesting house which has a cellar and two good-sized reception rooms, built around 1830 and has had various uses; it was at one time in part a grocer's shop. Lord's Hill is an interesting part of the village which was the centre, some years ago, of a religious order called "The Cooks" who owned, or lived in, most of the houses in that area. Lord's Hill House was the principal house being occupied by the Elder of the sect. The property, which features an Adam style fireplace in the drawing room, stands up above the Lord's Hill Common and has fine westerly views to the Hog's Back. The asking price is £60,000.

appearance of Harrow-on-the-Hill.

"The Old Etonian" by the patron, Eric Armitage. The menu is printed on the back of a reproduction of a page from the *Harrow Gazette*, Saturday, October 15, 1898, whose advertisements included that of One Hundred Elm Farm, Sudbury, where "customers may call and select the Cow that they would like their supply from," and Thatcher and Co., Family Pale Ale and Porter Brewers—Stout for Lavalais, 3s 6d a dozen bottles. I was told a more recent bearer of a similar name, Mark Thatcher, the Prime Minister's son "often pops in for something to eat."

Back down the Hill towards Sudbury, are homes Pevsner described as "good specimens of wealthy private houses." Only 4-hour drive from Heathrow Airport and about 10 miles from Central London, it's a convenient location. Hampton and Sons, 6 Arlington Street, St. James's,

London, SW1, are offering Tree Tops, Sudbury Court Drive, a 6-bedroom, 2-bathroom house whose 25 ft by 30 ft living-room has such refinements as Swedish woodblock floors, electrically-operated curtains and a large ornamental fish tank. Offers are being invited in the region of £150,000 for the freehold.

Architect M. H. Baillie Scott (1865-1945), built The White Cottage, Sudbury Hill, in the style of an Elizabethan manor house, with 5 bedrooms and 2 bathrooms. The magnificent oak-beamed sitting-room has a music recess at one end, and a stained glass window and raised refectory at the other end, plus an oak settle forming an inglenook in the central portion. Price £127,000. "For Sale" boards outside with the admonition "Private Callers Forbidden," are Hampton and Sons, 6 Arlington Street, St. James's,



State of the market

IS THE residential property market slipping a trifle? Michael Thomas, partner in one of Fox and Sons West Sussex offices, thinks that it has reached its peak, with the steam just beginning to go out of sales, as more and more properties come on the market. "Yet the demand is still there for homes in desirable areas near the sea, or by the river," he quoted an example of a small "town" house within a few yards of the seashore near Littlehampton, which was sold, subject to contract, for around £30,000 within a week of it being advertised.

Several estate agents have told me that the petrol situation (both its cost, and availability at weekends), is now having some effect on Saturday and Sunday viewing. "It's not just a question of driving off for a day out in the hope that they might see something for sale. And people will not drive long distances just to see one property, but want a selection of a similar type, and price to look at. For instance, if someone is searching for a Regency house or cottage or something heavily Victorian in a particular district, they will contact several agents to see what is on offer."

Currently the most active property-seekers appear to be those who have sold their own home, and must find something before completion. Several families I know are taking a week of their holiday to concentrate on really in-depth viewing. And with a certain amount of cash on tip, or the edge over those who have to wait for funds on a heavy mortgage commitment. As for the increased borrowing rates, frozen by the building societies until January, there seems to be a philosophical attitude that they will worry about them when they happen.

A growing trend is to be much more selective over details such as heating. "How much does your system cost you to run?" a would-be purchaser will ask a vendor pointedly, who may be asked to produce bills in support of any figure given. Double-glazing, insulation in the roof, and for computers, the price of a season-ticket all have their influence on a sale.

For second-homes, people who can afford them are looking for places with trouble-free equipment that does not need constant maintenance. "We don't want to spend all our weekend or holiday checking that everything works," is the general feeling.

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GARDENING

Attractions of Hebes

BY ARTHUR HELLIER

LAST WINTER was bad for hebes, indeed that it made them appear considerably more tender than they really are. What was that upset them so much? I am not sure but I suspect that the reason for the damage occurred late in March rather than in January, when the rising and growth about to recommence, often a tricky time for evergreen shrubs.

I hope this experience will not put gardeners off hebes for they are really very good shrubs, among the easiest to grow in winter are not too severe, and certainly among the easiest to propagate from cuttings or seed. It is really no problem at all to grow a stem of each kind grown, placing them in pots filled with soil, peat and sand in July or August, covering each pot with a polythene bag until the cuttings start to grow again and then overwintering them just as they are on a window ledge, or in any other light yet sheltered place. If they are not required the following spring they can be given or thrown away but if there have been losses the rooted cuttings are available as replacements.

With about two exceptions, hebes are all natives of New Zealand. Some come from the North Island, and some from the South Island and they are also found at very different altitudes, some down by the coast, others high up in the mountains, all of which makes a difference to their hardiness. Many hybridise easily, not waiting for gardeners to do anything about it, but simply interbreeding with almost any other hebes that may be growing nearby and then producing self-seedlings whose parentage can only be guessed by examination of their leaf and flower characteristics.

No wonder the naming of the genus always seems to be in a mess. Names are constantly being changed, even the experts do not agree and it is easy to pick up the same plant several times over under the mistaken impression that one is buying something new. The only certain way to avoid this is to purchase hebes in containers when they are in flower.

The range of habits, foliage types and flowers is astonishing. There are ground hugging hebes and hebes that grow into tall spreading shrubs; hebes with tiny, close packed leaves overlapping like those of a cypress and others with quite large, shining leaves with the leathery texture characteristic of laurels. Some bear their

flowers in erect, tapering spikes, some in hanging rat's tails and others in little clusters or scattered, more or less indiscriminately all over the plant. Some of the tiny leaved kinds such as *Hebe exonioides* and *H. hypophylla* make good rock garden shrubs and, named *H. armitagei*, is a highly distinctive foliage shrub. The overall colour of this remarkable little bush is a curious greenish copper, rather like that of *Cassia fulvida*, and the slender branches are all swept back one way as if they had been combed or blown by the wind. It always attracts a lot of comment and few visitors to my garden ever recognise it as a hebe.

By contrast *Hebe speciosa* and all its numerous clonal have some of the largest, lushest leaves and the most richly coloured flowers of the family. Probably the true species does not exist in gardens its place always being taken by hybrids such as *La Sedisante*, with deep crimson flowers; *Simon Delaut*, purplish red and *Alicia Amburst* a rich blue-purple. *Hebe andersoni* variegata belongs to this group, a fine variegated evergreen with leaves in two shades of green plus a broad margin of cream. The flowers are a slightly wispy washy violet but this is a shrub now growing for its foliage alone. All these "speciosas" are a little tender and all grow well by the sea with an apparent total disregard for salt laden wind. They also continue to flower late and have handed on this useful characteristic to some other hybrids.

Much tougher than these "speciosas" forms are the hybrids of *Hebe elliptica* another species which seems to have been totally replaced in gardens by its bastard offspring. It matters not at all for they are all excellent shrubs, dumper in habit than any of the "speciosas" with smaller elliptical leaves, very regularly arranged and closely packed so that they cover the ground densely and almost exclude weeds. The flowers are packed in short dense spikes, usually violet purple and long lasting. And these useful hebes self seedling themselves in the most difficult places, even in rock crevices where they seem to pick up sufficient food and moisture to grow into luxuriant bushes in a surprisingly short time. Botanists call these hybrids *Hebe franciscana* and they will be found under that name or as *H. elliptica* in most nursery catalogues.

The hardest species is

probably *Hebe brachysiphon* which used to be known by the much easier name *H. traversii*. This has neat, box like leaves makes a big, dome shaped bush and covers itself in June-July with little erect spikes of white flowers. It stands clipping well, makes an excellent hedge and will flower every year even when hard cut provided all the trimming is done immediately the flowers fade. Those who require something smaller and even neater should plant *White Gem* which looks like *H. brachysiphon* cut down to about 40-50 cm. Some experts say that it is, indeed, a dwarf form of *H. brachysiphon*, others that there is no connection between the two, an indication of the botanical complexity of the genus.

Hebe albicans is one that cannot be mistaken for anything else for it has closely packed oval leaves that actually clasp the stems which themselves curl over at the top to form a very distinctive low, milky green dome covered with white flowers in July. It is one of my favourite hebes but it is not one of the hardiest and it suffered rather badly last winter. Well rooted cuttings are already growing up to take the place of plants too badly mauled to be worth preserving.

Even shorter than these is *Hebe pinguifolia paget*, rather a mouthful of a name which usually gets shortened in gardens to plain *H. paget*. This hugs the ground, covering it with low mounds of small grey green leaves with tight clusters of white flowers in June. It is ideal ground cover for warm sunny place and just the plant to grow in small soil panels left in terrace paving. *H. Carl Teichner* can be used in the same way, a variety of doubtful origin distinguished by its almost black stems, dark green leaves and small clusters of violet purple flowers.

The largest individual flowers are produced by *Hebe macrantha*, a pure white, saucer shaped and carried in flat clusters all over the top of the little bush. Unfortunately all the leaves are also crowded at the top leaving the stems bare and unsightly below. Maybe this ugly habit could be cured by pruning after flowering but I have not yet got round to experimenting with this.

My favourite species is *Hebe hillebrandii* or one of those kinds so closely allied to it that I am never quite certain which is which.



It is at this time of year that Britain's municipal gardens come into their own. The City of London has some particularly attractive offerings, small oases of calm in a sea of tower blocks and traffic. This particular rural view was taken on a busy weekday morning this week within yards of St. Paul's Cathedral.

Hammersmith lettuce

WE HAVE been self-sufficient in lettuce for about a month now, the mint is becoming a nuisance, our first crop of French beans should be ready this weekend and the tomatoes are setting nicely. . . . An every day story of country folk? Well, not quite, because this particular garden is thriving away some 60 ft or so in the air on a small terrace that has a grand view of the Hammersmith flyover.

What started as a joke has now become a deadly serious battle with space and this strange aerial environment. In an area only 8 ft x 5 ft we now have some 30 All the Year Round and Webbs lettuce in various stages of growth; two dozen French bean plants each heavy with fruit or flower; a 3 ft run of runner beans; a dozen tomato plants (Money-maker), mint, sage and chives; a few strawberry plants (taken crops only); and a well stocked flower bed.

Everything on the balcony, except the herbs and strawberries and flowers, was grown from seed. Even now infant lettuce are nurtured on the bedroom window-sill to be transplanted to Grow-bag or pot whenever a vacancy occurs. All

the Year Round, a small but tasty butterhead, is much easier to handle than the crisp and large Webb. Not only are we getting a lower germination rate with Webbs but they seem to attract greenfly like magnets.

The greenfly are but one example of the way in which nature has moved in to this lofty piece of isolated greenery. Not only do we have plants. We now also have spiders, butterflies, blackflies, ladybirds, caterpillars, ear-wigs and wasps. As yet there are no bees, which is worrying because the runner beans are covered in flowers and they are not self-fertile. The hucolic imagery is completed by a cat who has found new delight in lurking among the vegetation and chasing off invading wood pigeons.

The one drawback is water. In the last few rainless weeks our thirsty crops have been consuming six gallons of water a night, two-thirds of which must go to the tomatoes. Is it worth it? In money terms of course not, but in pride certainly. If many more neighbours come round asking for a spare lettuce or piece of mint we'll soon be setting up Hammersmith's first farm shop—watch for the signs on the fly-over.

The whole thing started with a few egg boxes and a couple of packets of seeds and soon got out of hand. Our fledgling garden, then covering only the top of a small picnic table, was struck by late frosts in much the same way as its larger brothers. Our first batch of French beans was decimated by the cold.

Next on the list of problems was the cat. It narrowly avoided losing several of its lives when it was found digging up a patch of tiny lettuce. Our four foot square lettuce field was thereafter protected by chicken wire (have you ever tried to buy just four square feet of chicken wire?)

The latest danger, as beans and tomatoes grow tall, is the wind. A breeze at ground level can be a gale at 60 ft and, for the moment, wire and string are the only things preventing our tomato plants from becoming the flying vegetables they clearly dream of being. Life out there in the country at this time of year may be all sunny days and green fields. For us urban gardeners it is a constant battle against antagonistic elements.

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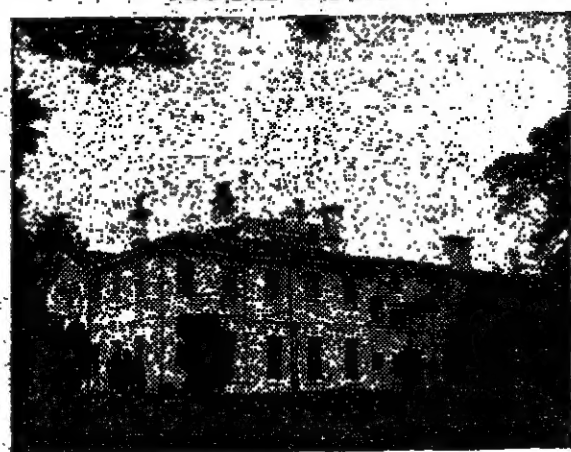
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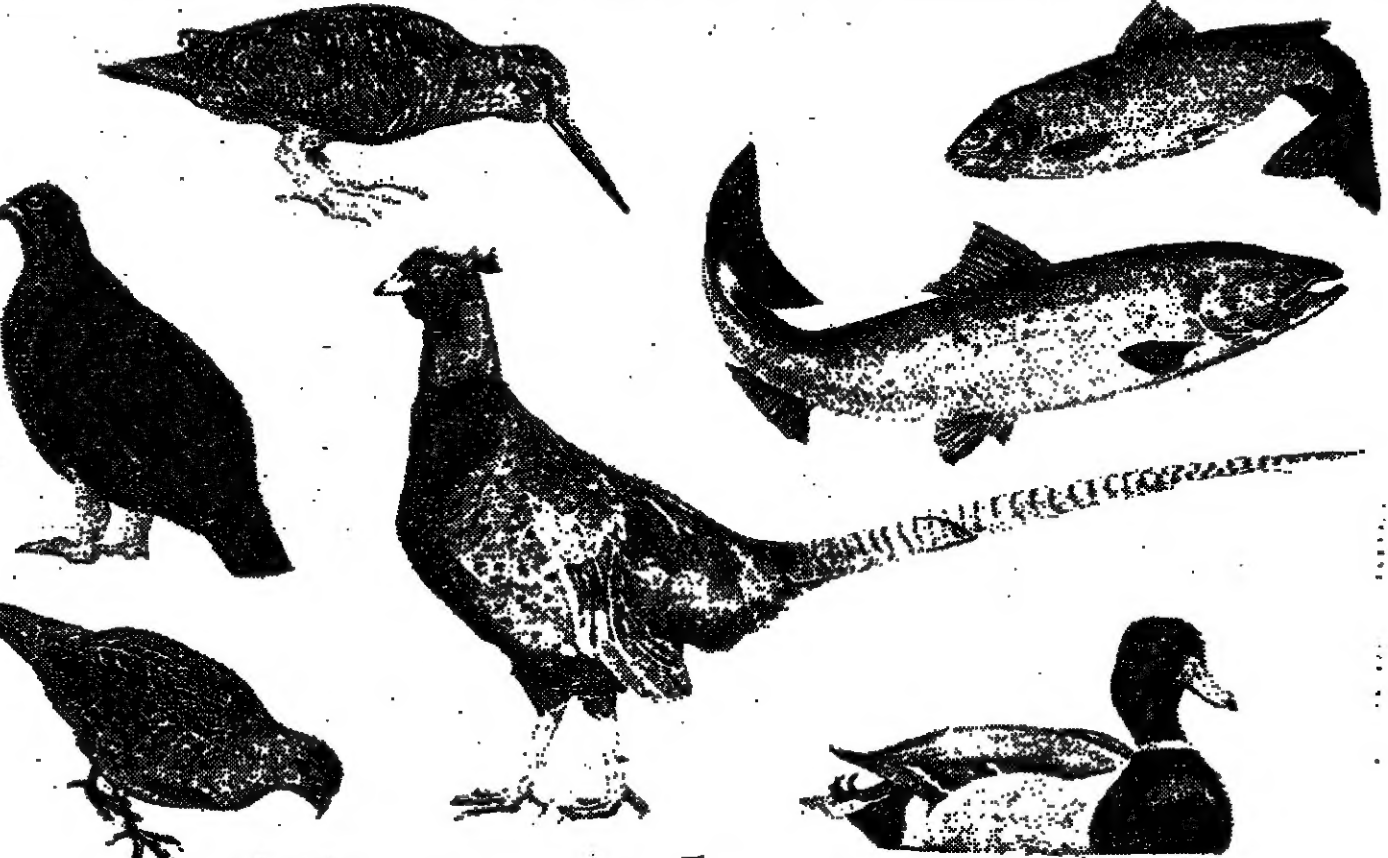
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LEISURE

On the occasion of this year's Game Fair John Cherrington reflects on country pursuits.

Country life and fair game

THE Country Landowners Association, which organises the Annual Game Fair — to be held this year at Bowood Park near Calne in Wiltshire — is hoping that some 100,000 people will visit the fair during the three days it is open. The fair has increased steadily in popularity since it was founded more than 20 years ago and now rivals the agricultural shows as a country spectacle. But unlike these, which have settled in permanent sites, the Game Fair circulates from one stately home to another in England, Scotland and Wales.

But it is ironic to reflect that the more popular the fair has become, the less the chance of those visiting to engage in many of the sports they will see depicted. The obstacles to any expansion of participation are great and are becoming worse. First (but not the most important) are the ethical arguments, propounded by organisations such as the League Against Cruel Sports. These reformers have already had more success in making illegal and are now turning their attention to fox and stag hunting. They may not be immediately successful, and many people think that in their attacks they are being unreasonable, but undoubtedly those who agitated in the past against badger baiting and cock fighting were considered just as unreasonable; however, they succeeded in the end.

The British Isles provides the best game shooting in Europe and possibly in the world with the exception of parts of Spain and one or two countries behind the Iron Curtain such as Hungary. This happy position is simply due to the fact that along the long road to democracy the Game Laws, which dated from feudal times, have been very little diluted.

Any landowner or occupier who decides to rear and preserve game can legally bar anyone from entering his land and killing it. It is quite true that the harsher methods of preservation have been outlawed — no one is likely to fall into a man-trap these days. But the law does provide the means by which a poacher can be fined or even sent to prison if he persists in taking game.

There is one important proviso. This protection to a landowner's game only covers it while it is on his land. The moment the pheasant, partridge or other game moves on to another property it becomes the right of the owner of that property to shoot it. This can be the cause of much rural friction, because there is no doubt that there are various ways by which game can be expelled to leave home and stay in the new surroundings.

Nevertheless were it not for the protection of the Game Laws there would be very little game to shoot. In France and the United States, where most of the countryside is open to anyone with a gun licence, there is very little game indeed, and what there is is rigidly controlled by licence and the vigilance of other licence holders jealous of anyone who breaks the rules.

Game preservation costs a great deal of money, and while fees for covert shooting and grouse driving are rising fast, up to £300 for a day on the best pheasant coverts it is doubtful if the owner makes much out of it. Such costs look dear but there is no doubt that in this case the cost reflects exactly the quality of the sport.

That being said, there are opportunities for those of more modest means to establish small shoots on land on which the rights can be rented quite cheaply. Pheasants are easily reared and the Game Conservancy provides plenty of advice as to how to look after them. Pheasants are the main interest because partridge and rabbits are becoming scarce.

The virtual disappearance of the partridge has been one of the most disappointing features of the last 30 years. It has probably become the casualty of modern farming systems. Not as a direct consequence of the use of sprays per se, but because the arable crops are now largely weed free there are no small seeds for the chicks to eat. Contrary to popular belief, the partridge population has declined equally in areas where pesticides are not used as where they are.

The modern trend for early



Mr. Michael Dare giving a demonstration of shotgun tests in preparation for the first three day Game Fair to be held at Bowood, the home of the Earl and Countess of Shelburne.

grass cutting for silage and even hay effectively destroys many of the nests and although careful keeping and the saving of nesting sites can alleviate the position there is no sign as yet that the partridge will regain its pre-war numbers. There is no doubt too that the emphasis on pheasants has to some extent upset the population balance.

Rabbits and pigeons which used to fill out many a lean day's game bird shooting, are often completely absent through myxomatosis in the first case, and the latter are not so easily found as they were. So the opportunities for a full day's shoot are limited to those rich enough or privileged to have access to preserved game. For the others who must be numerous there is shooting at clay pigeons, a noisy but very skilful sport, some of whose practitioners have told me that they wouldn't shoot at a living target if one were offered them.

But while the preservation of winged and ground game is possible, the future of an important, some would say the most important part, of fishing is facing what many believe to be disaster. The migratory fish, salmon and sea trout appear in many rivers to be on the verge of extinction and the situation is getting worse.

The culprits blamed are many and varied, ranging from Greenland and other sea fishermen, river netting interests, diseases and poaching. Not

much can be done about catches out at sea because while some countries have laws restricting the sale of these fish, others don't. With a salmon worth anything up to £50 and deep freezing available everywhere finding a market is no problem at all.

Inland poaching is also believed to be on the increase, but here the salmon poacher has, or believes he has much of local public opinion on his side. The owner of a salmon or sea trout river, unlike the preserver of pheasants spends little or nothing on maintaining his stock. No food has to be bought for instance. This attitude was well expressed by the other day when he told me "God sent the salmon up our river not that little bugger from London who bought the fishing rights."

Although it is probable that the main culprit of the decline is offshore fishing there is a chance that local action in the river systems could ameliorate the situation. But this could only come about by identifying the whole of the population in its benefits in the widest possible sense. There is little poaching I understand on the Association and other district fishing sections of the rivers. Such a solution is unthinkable to those who own the very valuable fishing rights but as catches fall to next to nothing these values will in the end do likewise.

Summer daze

FASHION

ARTHUR SANDLES

WHATEVER happened to the theory that men were throwing off the shackles of convention and could now dress as they wished? Most of us surely still dress for our business and social circumstances, whatever the weather and whatever our whims.

For example, on a steamingly hot London morning this week a large number of fine British frock-coats packed into the tasteful, but snug, room that was the setting of Mr. Hardy Amies' show of autumn fashions. The Amies offerings were a hit and we all sang happy (70th) birthday. The audience was predominantly female and each of them was coolly dressed. Not one of them seemed even gently to glow.

The tiny band of men, on the other hand, mostly grouped for some reason in one corner of the room as if in some ring of self-defence, were past perspiring. Some were actually sweating. But not one of us removed our jackets. There were two tireless foreigners in the assembly, and one of them actually produced a fan, but this sort of behaviour was not regarded as good form.

The coolest looking, and most appropriately dressed males present were Mr. Amies himself who was in an off-white suit whose main ingredient was probably either cotton or silk, and Mayfair boutique owner Peter Hoyle. Both were wearing ties.

Clearly the Briton is still to some extent set in his dressing ways and we are a very long way from chance. Perhaps, all in all, it is a good thing. Look what happens to schools when they abandon uniforms. Everyone dashes off and clothes themselves in denim.

We have, however, come some way along the road of relaxation. Light-weight and light-coloured suits are now quite acceptable evening wear for dining out, the theatre and even business meetings in some circumstances (in London Temple Bar is still the line across which no such innovations pass). At the moment there are large numbers of them available, if only because the early part of the season was so disastrous.

If it is just a light jacket you need, try looking out silk or silk/wool mixes. They are ex-

tremely comfortable to wear and very cool. Expect to pay anything between £70 and £130 but you will get something ideal for the sort of weather we have been having over the past few weeks.

There is a large stock of light-weights in the new Cue shop at Austin Reed in London's Regent Street. This is a new Austin Reed project and the company claims it to be the largest fashion department for men in Europe. Well, I suppose it depends where you draw the line of fashion, but certainly it is large, and well stocked with clothes with a fashion air about them.

Austin Reed has grown more

and more ambitious with its Cue project and this latest move cannot but be a good one for the London fashion scene.

If you are in central London this weekend it is worth looking at two other Piccadilly Circus area attractions worth examining. Almost opposite Austin Reed there is a Burton's branch which is an example of that group's rapid throwing off of its old image. This branch is one of several that Burton has revamped and updated. The leisure clothing in particular is well worth examination.

So too are some of the items in the Simpsons of Piccadilly sale. We are now half way through it so there is probably no point in giving examples but a brief investigation earlier this week revealed lots of high quality, cut price jackets, shirts

and sweats. I am rather more nervous of recommending any sale purchases of such items of suits or ties — styles have changed so much in the past year that you have to be a very cautious buyer.

One of the fascinating aspects of the Amies show was a preview of what he sees to be fashion trends in 1980. Basically he clearly believes that the slimmer, longer look is going to be with us for some time to come. But it is going to take a long time for most of us to get used to those huge gaps left at the top of a jacket when you narrow the lapels down to 2½ inches.

One thing that was impressive was how remarkably pleasant a dinner jacket looks when you shed all that fuss and structuring that crept in during the early seventies.



Two samples of clothes from Austin Reed's much expanded Cue shop in London. Left a Swiss summer weight blue tweed suit (£175) and (right) an Italian Redaelli silk mix jacket (£75), cotton slacks (£14.50) and a cotton slipover (£11.50). The straw hat costs £9.50. Pictures: Trevor Humphries.

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1977 Rolls-Royce Silver Shadow II, finished in Silver Mink/Black trim, one owner, 22,000 miles. £23,250

1974 (October) Rolls-Royce Silver Shadow, finished in Silver Chalice/Black trim with Black Everflex roof, 32,000 miles. £23,500

1973 (December) Bentley Series, finished in Walnut/Benge trim, one owner, 27,000 miles. £18,750

1972/1973 model Rolls-Royce Silver Shadow, finished Seychelles Blue/Red trim, one owner, 37,000 miles. £19,250

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BOOKS

Rebel daughter

BY PETER QUENNELL

Nancy Cunard by Anne Chisholm. Sidgwick and Jackson, £8.50, 366 pages.

On March 18, 1965, Nancy Cunard, having eluded the last few friends still determined to assist her, died alone under an oxygen tent in the public ward of a Parisian hospital. She had been born on March 10, 1896, at Nevill Holt, her parents' large and splendid country house, the only child of Maud Burke, a 24-year-old heiress from San Francisco, and the middle-aged Sir Bache Cunard, chief inheritor of the great Cunard fortune, master of hounds, gardener, topologist and conventional English country gentleman.

Nancy did not enjoy her childhood: but some of the legends she wove around her youth appear to have been completely baseless. Though, like most privileged Edwardian children, she was obliged to spend much of her time in a secluded schoolroom, the atmosphere of Nevill Holt was neither gloomy nor uncivilized. Sir Bache, once he had deserted the hunting-field, was always happiest working with his hands, carving wood, hammering iron or designing and clipping yew hedges: while his young wife, despite her taste for society, was already passionately devoted to music and to literature. These were interests she never outgrew: as soon as her guests had left her, she always settled down to read; and, at the age of 75, she would often telephone an acquaintance,

who by that time might be fast asleep, to ask his opinion of Bastien-Lapierre, the Princess de Cadignan, Vautrin, Julien Sorel, or any other fictitious character who happened to have caught her fancy.

George Moore, Lady Cunard's most ardent admirer, became her daughter's earliest adult friend: and she would take him on long muddy walks across the fields of Leicestershire, showing him her favourite rubbish-heap and listening to his sympathetic conversation. Many rich little girls have fared worse. Why did Nancy, then, grow up so fierce a rebel? Lady Cunard was not a "good mother" in the ordinary meaning of the phrase: parenthood and marriage she pretended to regard as subjects that a sensitive and well-bred person could scarcely be expected to discuss. But, given her peculiar prejudices, she had a real affection for her child, who was proud of Nancy's juvenile verses, and, when she had finally emerged from the schoolroom and plunged into the social world, seems to have made few attempts to spoil her fun.

Nancy would afterwards allege, or her supporters alleged on her behalf—that her disastrous early marriage to a brilliant, good-humoured but entirely unintellectual young officer had somehow been her mother's doing. In this allegation there was not a grain of truth. Lady Cunard had disliked the whole idea—she thought the young man far too dull; but she accepted the

marriage itself and the divorce that quickly followed with philosophic resignation. To suggest that she had engineered the match was evidently ridiculous.

Nancy's marriage and its breakdown, however, had at least one good result. She had now achieved her independence; and the next 10 years were probably the happiest period she ever knew, when, in London and soon afterwards in Paris, she became one of the most, brilliantly conspicuous young women of the post-war generation. Talented, fashionable, daring, amusing and, of course, thanks to her mother's allowance, economically secure. Though not a beauty—she had Lady Cunard's bird-like profile and slightly receding chin—she possessed an extraordinary bewitching. She was "incomparably bewitching," writes Raymond Mortimer. Her eyes were "an Arctic blue." Next came the mixture of delicacy and steel in her build, hips, legs and ankles all of the slenderest. Her walk was enchanted, the head held high, and one foot placed exactly in front of the other spontaneously, briskly, boldly, skimming the pavement.

To say that, in her youth, she was much loved would be a feeble understatement; among her lovers were Aldous Huxley (who portrayed her as Mrs. Vivian in *Art in the Flesh*), and Luce Tarrant, in *Point Counterpoint*, Michael Arlen (who romanticised her, and

popularised the tale of her unhappy marriage, in *The Green Hat*), the Georgian poet Robert Nichols (who wrote a sonnet-sequel, where she is represented as a kind of modern "Dark Lady") and the young Surrealist prophet, Louis Aragon. The 'twenties were Nancy's Golden Age; yet she still required a cause, a focus for all her rebellious energies, intellectual and emotional; and such a cause she did not discover and embrace until the end of the decade, when she met and fell in love with a black musician, a large, amiable man named Henry Crowder. No revolutionary himself—he would have preferred to be accepted as a progressive American rather than as a persecuted African—to Nancy he became not only a lover but a cherished revolutionary symbol. At last she had found her cause—one, she knew, that would appeal and alarm her mother—the liberation of the coloured races.

In a solid, well-written volume, Anne Chisholm has traced Nancy Cunard's progress from her fortunate birth, through her extravagantly Bohemian middle years, to her miserable death, with devoted perseverance. She has collected a mountain of facts; but, having arranged them, she does not make it quite clear why she thinks that this strange, restless, ill-fated character deserved a full-length biographical portrait. Nor does Miss Chisholm manage to explain what went so persistently and sadly wrong in



Nancy Cunard: extravagantly Bohemian

Nancy's conduct of her life. She had wild enthusiasms, generous impulses, a yearning to devote her whole existence to the cause that she sponsored—the Spanish Civil War produced a new cause that absorbed her between 1936 and 1939. Perhaps it was because she had an unlucky habit of confusing passions and ideas, and mistaking personal for idealistic motives, that she was apt so frequently to reach an impasse, and that her human relationships so often foundered. Again and again, her hopes were cut short—her private printing-press was one of the few projects that

seems to have brought her in a real reward; and she came more and more to rely on alcohol and, latterly, on drugs. The story of her last decade is almost unbearably sad. But it is agreeable to learn that not very long after Lady Cunard's death—Nancy was then 52—her long obsessive hatred of her mother, to which so many of her later revolts can be traced, died away, and she began to describe her Ladyship with humor and insight, even, as in a letter I myself received, with a kind of tolerant affection.

Apologia for Céline

BY C. P. SNOW

Louis-Ferdinand Céline by Martin Thomas. Faber & Faber, £10.00, 249 pages.

Dr. Martin Thomas's book on Céline is a labour of passionate devotion. It is desirable to say at once, particularly if one disagrees with Thomas's main conclusions, that he is to be trusted absolutely on points of fact. He knows Céline's writings as no other Englishman does. He has a command of Céline's French which very few Englishmen have. He has investigated all available sources about Céline's life, and is as conscientious about quotations (and incidentally a brilliant translator) as a scholar can be. It would be mean-spirited to read his book without respect.

Céline has been since the late 1930s one of the most debated figures in twentieth-century literature. This is mainly because in 1937 and 1938 he published two books, *Death without Respite* and *The Last Days of a Frenchman*, which were not only anti-Semitic, but anti-Semitic with a kind of pathological scurrility that would have been shocking to Julius Streicher and was more than shocking coming from a famous writer of genuine literary gifts. Thomas, with his admirable honesty, reproduces some of the typical texts. They revive memories which anyone fully conscious of that period would wish to forget.

Also in the late 1930s—Thomas gives some evidence that Céline modified his outbursts after the collapse of France—he was openly pro-Nazi. In that he was not alone among well-known writers in the West. When the Nazis were losing the war, Céline judged it prudent to get out of France. He travelled with many adventures in phantasmagoric form in his last three books, through Germany to Denmark. He was imprisoned for a while, and in the 1950s he was allowed to return to his medical practice in Meudon, as it were deliberately forgotten by literary France. He died in 1961 and Thomas tells us that his fame, once considerable, is now being resurrected.

Thomas is steadily arguing three points in Céline's favour. First, how a writer lives his life doesn't in the long run affect his reputation or the value of his work. Agreed. The record of literary history proves this point. Plenty of good writers have been men of dirty character. It is rather harder to find enough examples to the contrary.

The second Thomas point is that, even at the time, Céline was not all that bad. Here there is some special pleading. In Céline's anti-Semitic tirades, Thomas says, he was reflecting his working-class patients, the climate of a whole stratum of

intellectual France, the rest of Dreyfus, the lot. He is political innocent, according to Thomas, almost a political naïf. That isn't good on Céline, was very far from it. A writer has a responsibility to his art. That didn't entitle those odious polemics. A writer also has the responsibility to decent citizens, and all more than that. A writer: Céline is likely to be his to. If *Death* and *The Last Days* were then Céline's finished work, he should have had a weighty conscience. He had given and comfort to those who wanted to commit atrocities. Really, what a shame.

Thomas's third point is more serious and interesting: that Céline is over above the arguments, a writer. As a critic, a Thomas makes his view without any disguised reservation.

One of the very few and original writers in twentieth-century France, Céline is, by all the rest, a very creative artist, whose can change your view of the world. I am increasingly sure that for me life too short to warrant a reading of, say, *Dr. Rieux*, *Grandeur*, *M. Bernanos*, *Sartre*, *André Malraux*.

But Thomas will continue to read Céline. My own feeling is also exact opposite. I shall read Céline again, except the last volume, about which Thomas is most persuasive. I would rather read the whole of Roger Martin du Gard than Céline. I would read selected volumes of *Romans*, provided I selected them myself. This is, of course, a preference of taste, or of reader looks for Thomas to read, not exclusively largely for verbal limit. That has always been a concern for the novelist most illumination from most illumination from most illumination from Céline. I am at this direction. It is of the comparable cases we have evidence, such as his are too often on like a clinical symptom. It would be, and though not to recognize sparkle and depth of the chapter in Thomas's which, deals with language. It is a dazzling of verbal analysis. English readers will find did, that they knew Céline intimately as Thomas. They have seen the sublimation, they know the English, they know English, a mately also.

Fiction

Coming out in mighty fizzy style

BY ISABEL QUIGLY

Dancer from the Dance by Andrew Holleran. Jonathan Cape, £4.95, 250 pages.

Our England is a Garden by J. I. M. Stewart. Gollancz, £4.95, 201 pages.

Arkin, or Life in Venice by Jonathan Mantle. Harvester Press, £4.50, 108 pages.

Sleeps Six, and other stories by Frederic Raphael. Jonathan Cape, £3.95, 127 pages.

Two gifted first novels about homosexuals: two books of short stories about the English bourgeoisie: occasionally, though not often, my column falls into neat categories like these. Andrew Holleran's *Dancer from the Dance*, with its epigraph from Yeats ("O chestnut tree, great rooted blossomer, Are you the leaf, the blossom or the bole?"), is an extremely high-spirited account of "gay" goings-on in New York. In which questions about reality and art are implicit in questions about gender, sex and identity. Who's who, what's what, in life, in art? It is a novel within a novel, and its characters, changing gender on the way as they change clothes, wigs, drugs and lovers.

The narrative main part is a novel sent by one homosexual to another, about the life of yet another, in a group that in-

cludes all—a set of wild partygoers whose orgiastic life sounds straight out of Petronius Arbiter, seeking nothing but sexual encounters, a mixture of romanticism and lust and yearning of grossness and eberality of melancholy and hope and everlastingly intricate jokes, of loyalty and doggedness and friendship mixed with hopeless inconstancy: all this against a

background of amazingly described New York and summer resorts filled with parties and all-night dancing. Leader of the revels is the ageing Sutherland, full of astonishing disguises and patter, the sort of thing Anthony Blanche might have grown into thirty-odd liberated years later; and with him the beautiful Malone, beloved by everyone, almost saintly, furiously enmeshed in a life totally devoted to sex (the narrator calls it love, and who is to say which is what?), and involved, as committed homosexuals seem to be, with self-questioning on the widest scale (what and who am I? Not to mention why and what for?).

This is a book of more than talent, intensely sad, atmospheric and fizzy; about a great deal, in jokey disguise; with enormous ambition, in an unpretentious, acceptable form; a novel that manages, as few do, to suggest ecstasy, physical exhilaration, the glory and the wretchedness of obsession, the beauty of urban landscapes, fulfilment, despair, annihilation, hell.

Arkin is a very youthful piece, written when its author was 21; with a school-magazine quality about it—world-weary, slender—yet a certain technical boldness and virtuosity, a sense of original feelings as well as eccentric intent. Sub-titled *Life in Venice*, it has a triangle of males living idly and claustrophobically in a palazzo that houses a collection seldom seen by outsiders. One is the one-time lover of the collection's owner, another a stray washed up there, at 18, by a footloose existence and divorcing parents. Third is J.J., rich and American, collector, fixer, owner. Briefly they interact, against the background of Venetian smells and reflections, of subterranean secrets and (one guesses) obscure references. What seems particularly valuable is the book's economy, impressively unlike the crammed excessiveness of so much young writing. Pared-down paragraphs give a sort of sketchy action, hard to follow at times and psychologically inadequate. But something remains in the mind of Michael's brief story with Arkin and J.J., and of the Venice each one of them sees; a sense of disquiet, of odd, chopped images put strangely together.

J. I. M. Stewart writes about English upper middle class life (more or less; and endlessly subsectioned) in his four stories entitled, after the longest, *Our England is a Garden*. This longest, a novella in form and size, is about a country house and way of life taken over from its owners by the cook's son, who rises to millionairedom. The other stories deal with people and milieus fairly varied within a recognisable social band: courtymen of independent means, academics, people

who have risen or dropped, always within the limits of that band. Throughout them, social rather than other points are made, comparisons, asides, remarks all based on that tirelessly pursued preoccupation of the English class: the details, microscopically examined, of speech, custom, artefact, attitude and atmosphere, the recognition of this or that usage, difference, distinction. It all seems (unless handled by a Proust) a little trivial, even slightly arch and embarrassing, but the stories are well tailored, bland and readable.

Readable, too, are Frederic Raphael's much shorter stories named after one of their number, *Sleeps Six*. Here, too, there is emphasis on social usage, change, mobility, the exterior of things, the artefacts of bourgeois life; but the way of life is very different, the people are urban and slick, the talking is smooth rather than bland, a case of sharp dressing rather than good tailoring, and a tone of sleeky vulgarity prevails, well reflected in a sort of relentless banter in the narrative. These are mainstream stories, often with a sting in the tail, a tiny cynical surprise at the end, very smile, raised eyebrow. As in *The Glistening* Prices, there is plenty of glitter, a tinsel treatment of tinsel lives; but how far this is deliberate, a conscious reflection, is hard to tell.

The Rise of Theodore Roosevelt by Edmund Morris. Collins, £8.50, 886 pages.

Dude President of United States

BY GEORGE MALCOLM THOMSON

The Rise of Theodore Roosevelt by Edmund Morris. Collins, £8.50, 886 pages.

The story begins with a description of the scenes at the White House on the first day of January, 1907, the day on which the President took his hands. An exaggeration? Maybe. But it is certain that the President would have told somebody to count the handshakes on that famous day.

Theodore Roosevelt was a New York aristocrat with the right amount of old Dutch blood in his veins, so blue that even the great Mrs. Astor would graciously acknowledge the salute of his whip as he drove past her on Park Avenue. But an aristocrat who, for all his languid accent, high-pitched voice, fitch and Abercrombie clothes and the outward trappings of the "dude," could mix it with the most raucous politician in the art of public relations.

In telling, in this big fat book, the first half of the story of Roosevelt's life, Edmund Morris has a theme to excite the most lethargic of writers and he has responded to it with appropriate verve. Here, then, is the rise to fame and, in the last pages, to power, of a young American politician who personified his nation in its most confident, assertive, not to say, brash of epochs. Here is a dramatic story, a canvas crowded with picturesque figures—Hell-raising Bill Jones, Dead-shot Jim Simpson and Fighting Joe Wheeler, the last a general who had fought with the Confederates—intensely characteristic, violently "American," with a salty turn of phrase and a sublime assurance that the earth was theirs by right and soon would be theirs in fact.

It was the age of "Manifest Destiny" when the Spaniards were driven out of Cuba and the British (and, of course, the French), would be expelled from Canada.

Young Mr. Roosevelt would have set about either task with equal enthusiasm but when the drums beat for war he and his Rough Riders sailed for Cuba. The Rough Riders were a regiment of cavalry recruited from cowboys he had known in the West and adventurous young men (some of them English) from the polo grounds round New York.

The Rough Riders' zest for battle was slightly dashed at the last minute when the authorities decreed that only senior officers should take their horses with them. The Rough Riders would go to war on their own two feet, although Roosevelt, as a lieutenant-colonel, was spared this indignity. A happier incident occurred when the regiment was boarding the transport "Yucatan" (hijacked from another unit). Roosevelt said, "What are you young men up to?" They were from the Vitagraph company and were on their way to take moving pictures of the war. In a minute they were escorted up to the gangplank of the ship, which was supposed to be crowded.

Roosevelt was sure that, whatever his role in the war, he would be well reported. It was the Battle of San Juan Heights may not be the most significant event in military history but it is one of the best known, and who emerged as the hero of that encounter but the brave man who led the American charge? "The dam Yankees are on the run," shouted Fighting Joe, referring to the Spaniards.

"One object at least was accomplished," wrote one journalist more coolly, "the names of several men were in the newspapers before the names of several others." Guess whose name was first! Roosevelt was quite satisfied with the day: "I would rather have dived than served three terms in the U.S. Senate." He had "driven the Spaniard from the New World" and had actually fought in the war which

he and some other jingoes (Hearst, for example) had cooked up.

The future would be more peaceful for the man who, at that time, had become the second American. He was on his way to the White House.

As for Cuba, the Americans were driven out eventually by the same enemy that defeated Drake at Puerto Bello, 304 years earlier. The mosquito. But by that time Roosevelt was back in New York.

What a strange mixture of the crude and the sensitive he was! Crude in his ideas, especially those of White, especially Anglo-Saxon, supremacy; sensitive in his personal relations. Emotional. When his first wife died tragically, he wrote in his diary, "The light has gone out of my life." Puritan: he was deeply shocked when it turned out that his much-loved brother, Elliot, was not only drinking himself to death but had a succession of mistresses, and worst of all had an illegitimate child by a domestic servant.

He had little business sense; his scheme for raising cattle in the Bad Lands of Dakota came to nothing. But when the need arose, he could sit down to pour out books and articles to keep his growing family in comfort. His memory could be compared with Macaulay's. His power of veneration was remarkable even for that time. As for his personality, here is the tribute of an expert: "You shake hands with Roosevelt and then go home to wash the personality out of your clothes." It was derived from an enormous exuberance wedded to a rough-cast but formidable intellect. "I have never known such a man," said William Allen White, who was not easily moved to enthusiasm.

Bike ride

BY JOHN DUNSTAN

Jupiter's Travels by Ted Simon. Hamish Hamilton, £7.50, 388 pages.

Ernest Giles, Explorer and Traveller, 1835-97 by Ray Erickson. Heinemann, £9.50, 307 pages.

A funny thing happened to Ted Simon on his four-year motorcycle trip round the world. At a Rajput wedding a seat fell from the sky. "You are Jupiter!" (making "You come under the influence" of the planet Jupiter). Slowly, the seed begins to sprout in Ted's brain. What if I am a god? Maybe I AM Jupiter! ("That was the notion of being a god came to me.")

This has to be a joke. But for the intrepid motorcyclist, it becomes a symbol. Bowling sponsored by the Sunday Times, his vision, he avers, has indeed become godlike. That stood over there—doesn't it seem to those under it that the universe is engulfed? But lo! Elsewhere, even as from Olympus, Ted sees that the sun also rises. Into drab lives across the world he thunders, a thing of wonder, bringing glamour, awe, astonishment, leaving heads and minds transformed in his wake. Was God an astronaut or a motorcyclist?

This is not to deny the dangers, the hardships, the achievement, of riding round the world in 1,220 days. He struggles to find meaning and significance in his venture—meets, from his Jungian collective unconscious, a figure "definitely male." Mr. Simon is as puzzled as we are. And all this for us to read! I found it embarrassing.

So, Mr. Simon, let's forget the voyage of self-discovery, the Zen and the art of motorcycle maintenance—we are treated to pages of repairs at a time—and get down to the material of wide appeal—the antics of human beings doing the old beat track won't get through your local travel agent.

In Palermo, he pulls up in a street "full of freaks, dwarfs, giants, fat men, rubber men, thieves, sweeps, pimps, tourists." Now you're talking, Mr. Simon. This is my way around the world—only how does one know how the world really lives? As a connoisseur of slums, I shall definitely look up the Via Torremuzza when next in Palermo.

Mr. Simon's regret is anyone else's. Despite a four-year journey, London to London, he has only skimmed the surface of the earth. But as a man forced back on his own resources, down to owning little else except his own skin, he learns a great lesson—to identify with the bulk of the world's population. At a Marco Polo with real traveller's tales, he is more interesting than as a "mythmaker" making his private confessions in public.

A century ago, the Western interior of Australia, 1m square miles of red sand and gravel plains, was almost unknown to European man. This "ghostly blank of hideous scrub and howling wilderness" defeated all who entered it. The fate of the dreamer Leichhardt, and Burke and Wills—disappearance and death by thirst—stood as awful testimony to the futility of even trying.

But between 1872 and '76, Ernest Giles led five expeditions into the Western Interior, during which he discovered more land than any other explorer of the continent. Ray Erickson has travelled, by Land Rover, through most of the desert of Giles' expeditions. In his analysis, Giles emerges as unique among Australian explorers—one who found the daily grind of penetrating some of the world's most inhospitable expanses a positive pleasure.

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Swedish aces

BY BRIAN A

The Viking Drivers by Fredrik Petersen. William Kimber, £4.95, 206 pages.

When Gunnar Nilsson heard that fellow racing driver Ronnie Peterson had not survived a horrifying crash at Monza he said: "Ronnie died, the only right way." It was a touching comment for Gunnar was dying, himself, of cancer.

Just over a month later Gunnar was dead, but at that time he had shown more courage than any driver is ever called to have during a race. He had refused painkillers so that he could persuade the motor racing fraternity to support the Gunnar Nilsson Cancer Trust.

most Fund. He even radioed to a couple before he died. The Fund will be a memorial for a driver only had time to show his skill and win just one Prix before his death: at Ronnie Peterson's, as is in the minds of each who will remember him: uncompetitive, far from tracks. He was regrettably, many experts as the driver never became a champion.

Fredrik Petersen's career of the two Swedish describes their dissipation and successes. A book their many admirers, w fascinating—in spite of the sional fractured English

ADJUSTAMATIC

Do you have difficulty with the adjustment of your back? Do you have difficulty with the adjustment of your neck? Do you have difficulty with the adjustment of your shoulders? Do you have difficulty with the adjustment of your hips? Do you have difficulty with the adjustment of your knees? Do you have difficulty with the adjustment of your ankles? Do you have difficulty with the adjustment of your feet? Do you have difficulty with the adjustment of your toes? Do you have difficulty with the adjustment of your fingers? Do you have difficulty with the adjustment of your thumbs? Do you have difficulty with the adjustment of your ears? Do you have difficulty with the adjustment of your nose? Do you have difficulty with the adjustment of your mouth? Do you have difficulty with the adjustment of your tongue? Do you have difficulty with the adjustment of your throat? Do you have difficulty with the adjustment of your larynx? Do you have difficulty with the adjustment of your trachea? 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HOW TO SPEND IT

by Lucia van der Post

Most of us who cook day-in and day-out sometimes find ourselves longing for a few new ideas, for a fresh approach which will somehow rekindle the enthusiasm for what is, after all, a daily task. Not everybody may know that most of the established cookery schools offer either one-day or very short refresher courses that do just that.

JUDY WHALE has been trying them out

Cooks' tours

HAVING ALWAYS believed that anyone with flair could learn to cook well from books, I was shaken recently when I visited several cookery schools and discovered techniques and tips that I wish someone had told me about years ago.

All the schools run full-time courses, but they also provide lessons for the hostesses who want to widen their repertoire, the trained but rusty cook, the gifted amateur or the plain ignoramus. They concentrate on attractive food you'd be pleased to give the family or eat at a dinner party, even be ginners can cook desirable dishes like smoked haddock and meringue cake.

The method of teaching is roughly the same at all the

schools. The teacher goes through the printed recipes to be used, explaining the why and wherefore, drawing attention to tricky points and telling how to avoid pitfalls. Then you take possession of your table and ingredients and plunge in—but not untutored. The teacher is at hand to demonstrate those things you've never fathomed: how to fillet a fish so that you eat more than you throw away, exactly when to snatch a coating sauce off the heat before it curdles, how to cook pancakes so thin and lacy you can read your love-letters through them.

I was struck by the good humour and encouraging attitude of all the teachers I met. While always showing the proper way to do about things

they admitted that disasters could happen even to experts. They know how to put them right, though, and also have vast resources of know-how that doesn't usually crop up in books: egg-whites make more bulk whipped with a balloon whisk in a copper bowl; keep your mouth open while chopping onions and you won't cry.

The schools I went to all met different needs, and their students were devoted to their methods: housewives, girls waiting to go to university, secretaries and bachelors fed up with opening tins, engaged couples, a restaurant owner, wedding caterers, directors' lunch cooks. The menus change from term to term, so you can repeat a course or go up a grade as you wish.

Winkfield Place, Winkfield, Windsor, Berks. Tel. Winkfield 2031.

I started off gently with vicarious 'cooking' demonstrations at Winkfield Place, near Windsor, the residential home of the Cordon Bleu school, a mixture of country house and boarding-school. Their one-day courses take place in a new extension: you can have coffee while you collect your recipes, and then settle down to the show.

That day it was dishes for fork luncheon parties, with the

aply named Miss Anne Grubb as demonstrator. It was quite a performance. She never stopped cooking or talking during the two-hour sessions while she prepared three main dishes, three substantial salads and a gâteau—an 'organisational miracle'.

You get a three-course lunch and lucky-number holders choose a dish from the demonstration to take home with them: £7.50 including coffee, lunch and tea all in.

The one-day courses are held on Tuesdays, Wednesdays and

Thursdays during term time and cover cooking, or cooking and flower decoration, or (in November), Christmas decorations and cooking.

Four-day practical courses (Monday 4 pm to Friday 5 pm) are held in April and August and there are vacancies on the courses beginning on July 30, August 10 and August 13. You can take your non-cooking spouse along too and he/she can play golf or swim while you work. The courses cost £62.50 (non-residential) to £95.85 (single room; £90 shared).

London Cordon Bleu School, 114 Marylebone Lane, London W1; tel. 01-935 3403.

At the London Cordon Bleu school I saw Miss Sarah Nops (one of the principals) and Mrs. Fenwick in a Wednesday afternoon advanced programme of desserts and gâteau, hurling strudel pastry with force and accuracy, making hot chocolate soufflés with an icy sauce and incidentally delumping another sauce. Miss Nops remarked feelingly that retrieved calamities always draw the most applause.

The demonstrations cost £3.52 each and there are preliminary and advanced evening ones too (£3.40 for 12).

They also run all sorts of practical courses: the preliminary variety puts you through basic

but genuinely interesting hoops. There are one-week courses and a new one-day-a-week hostess one. I went to an afternoon advanced class in a gallery-like kitchen, well lit and equipped with heaven-sent stools for aching legs. It housed four students to one teacher, Miss Moffat. Half the class had chosen to prepare a carré d'agneau printanier with an orange and redcurrant sauce and a barley pilaf, the other a gâteau suisse au citron.

The gentle Miss Moffat showed us how to bone the lamb and then divided her time calmly between the cheese-cake makers and the lamb roasters. She was always within grabbing distance for advice. A 12-lesson course costs £70.25 and you can buy (or not, as you wish) what you've cooked.

Leith's School of Food and Wine, 36a Netting Hill Gate, London W1; tel. 01-229 0177.

If you're not free to cook during the day and would anyway like a somewhat more informal approach, try Leith's School of Food and Wine. There are five- and 10-lesson courses in the evenings, so if you don't mind eating late you can say on what you cook. Classes cost £38.25 for five lessons and £95 for 14.

Everyone cooks the same items. At the beginners' course

we made a savoury pancake pie with a sour-cream sauce, and a chocolate roulade. If the students turn out slower or more efficient than foreseen, the menus are changed accordingly.

The ambience is young, bright and friendly, on a first-name basis, the kitchen large, the pace fast (though a slow worker gets lots of attention). It's very concentrated—there's no time to sit down for a breather and you sometimes work elbow to elbow at the cookers. There are two teachers

to 16 pupils, and they skip about nimbly giving help.

There are one-week intensive courses—very serious: you cook all afternoon as well as in the morning (about £93.70 including food). And if you can stand it there are four-week intensive courses too: £219.

You can also go to the full-time school's afternoon demonstrations given by staff and guests. Ring up and see what's on—you might draw Quentin Crave, or Katie Stewart. About £2.70 a time.

Mrs. Elizabeth Pomeroy, 51, Horton Street, London, W8; tel. 01-937 4297.

If you'd like something more cosy and intimate there's Mrs. Elizabeth Pomeroy's school. The motherly and mischievous Mrs. Pom takes only 10 pupils and they're taught in her own basement preparation-kitchen.

On two mornings a week there's a 12-lesson advanced/refresher course geared to what's known as haute couture food: greedy dishes which look as good as they taste, usually only one in a morning so that the cooks can concentrate on it. There are no short sessions

for beginners. They have to join the three-days-a-week three-month comprehensive course, but that's giving away briefly in the autumn to all practical two- and four-week courses on continental cookery for the freezer as well as cake-making and decorating classes. There are waiting lists for the courses beginning in January and May but vacancies for September. The advanced course costs about £67.21 (food extra, quantities for two to four); the cake course £73.14; the freezer course £73.14 for 12 lessons, £131.63 for 24. The next comprehensive course will cost £299.02.

The week's entertaining course costs about £100 (proportionately less for a shorter time); the gourmet course £127.78 (all that wine and pricey ingredients); and 'Cook with confidence' a new course for the 18-plus, has vacancies for the week beginning July 30 (£58.57).

The school term demonstrations are open to the public: tickets £1.44, or £1.60 for four. There are group demonstrations for club outings: the food is raffish and you get tea as well.

Dates of courses vary enormously; please apply to the schools for details.

Tante Marie School of Cookery, Woodham House, Carlton Road, Woking, Surrey. Telephone Woking 4050.

The Tante Marie School, in a large Victorian house up a bumpy lane near Woking, has a different format: last year it ran buffet and gourmet courses; from the autumn it will be entertaining and gourmet. They last a week or you can do just two-and-a-half or three days, and there are six teachers to 20 pupils. No accommodation, but the school will suggest local hotels and families.

There were nine items on the cold buffet menu, including an oriental fish salad and a winter salad that were particularly toothsome and pretty. Planning, quantities and timing were discussed beforehand by the principal, Mrs. Majerowicz, and everyone prepared two dishes: fast going, but there was just time to see filleting methods on someone's trout along with the proper consistencies for macaroons and yeast dough, and if you missed them you got them done all over again just for you. Widespread admiration when we ate the results.

The week's entertaining course costs about £100 (proportionately less for a shorter time); the gourmet course £127.78 (all that wine and pricey ingredients); and 'Cook with confidence' a new course for the 18-plus, has vacancies for the week beginning July 30 (£58.57).

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Dates of courses vary enormously; please apply to the schools for details.



Drawing by Celia Baker

Spinning a fine yarn

GIVEN the vagaries of the British high summer, it isn't all that contrary to be showing knitwear in the middle of the so-called hot season. Myself, I wouldn't go away for so much as a day without some knitwear ready to hand and given that one wants to look as fresh and cheerful as possible the knitwear designers have come up

with a whole new look in knitted garments that is so pretty and so original that it reminds one far more of the bright and happy summer months than the grim, dark days of winter.

The look in knitwear is, as you can see from the sketches, a far cry from the sleek cash-

mere and Shetland classics. It is highly original, often hand-knitted, very much designer-controlled and above all, the immense fun, Patricia Roberts is the high-priestess of the new movement but there are now several others of these very talented designers around. Here we show just three of the latest

and prettiest summer cardigans and one sweater.

Left to right: A Patricia Roberts short-sleeved cardigan with a bright green or yellow background with contrasting coloured bunches of grapes. Wear it with a home-made necklace made from glass grapes as we showed on the page some

weeks ago. The cardigan is hand-knitted from specially dyed fibres. In a mixture of 75 per cent cotton, 25 per cent rayon, it is £79.00. A good selection of all Patricia Roberts designs can be seen at her own shops at 60, Kimerton Street, London SW1 and 1B Kensington Church Walk, London W8. Because all designs are hand-knitted there are not large numbers of any one style but they are always happy to knit to order.

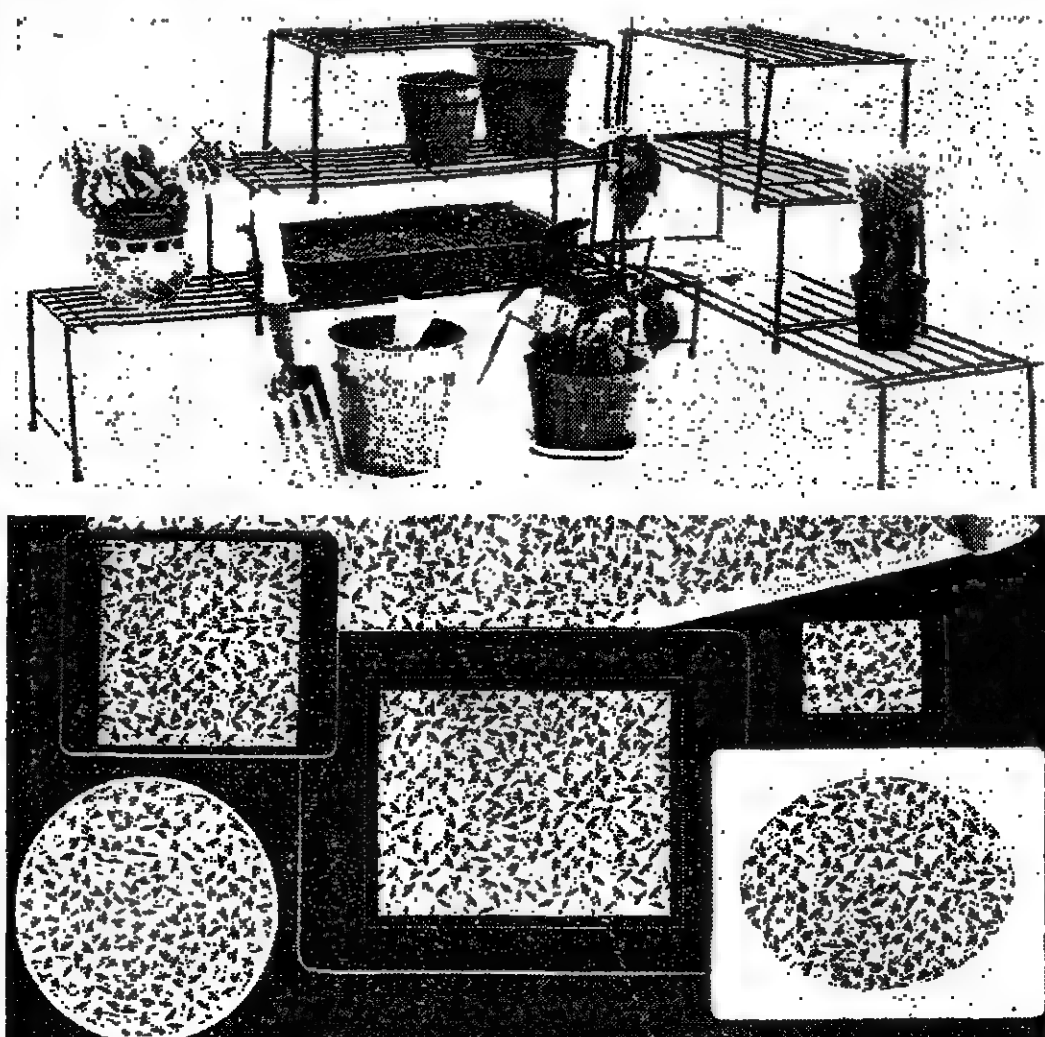
Tomlinson and Tomlinson of 8, Horton Street, London W8 is a new shop which specialises in designer knitwear from about 30 different designers from all over England. In red, gold, or natural, made from 100 per cent cotton this particular cardigan has charming mock mother of pearl buttons and padded shoulders. £55.25 in small and medium sizes.

Another Patricia Roberts design—a gaily coloured fuchsia pink 'rainy day' sweater with a pink palm-tree, raindrops and a rainbow. £85 from Patricia Roberts' two shops.

A hand-knitted cardigan with brightly coloured wooden beads knitted into the yarn. Made from 100 per cent cotton, it comes in red, blue, black, yellow or white and there is a matching short-sleeved sweater. Made by Artwork in small, medium or large sizes it is £53.40. Find it at 'Whistles', 111, Walton Street, London SW3 or 81 George Street, London W1.

Well-stacked

MAKING the most of space is always a tricky problem but Celebrity have just produced a series of interlocking and stacking shelves which enable the greenhouse owner to make the most efficient use of the precious space within the heated area. The shelves are made of plastic-coated heavy duty steel and come in three different sizes that can be built up in different combinations, depending upon the requirements. Since they are plastic, the shelves can easily be cleaned and they aren't affected by the moist atmosphere found in greenhouses. The three sizes are 14½ in by 8½ in (£23.35), 18 in by 8½ in (£22.50) and 27 in by 8½ in (£3.08). They are sold through most garden departments and hardware stores throughout the country but if in difficulty contact Celebrity Housewares, 4-8, Barton Road, Bletchley, Milton Keynes.



Mats to match

NOW that there's such a craze for totally co-ordinated rooms and more and more people want their house to look less and less mass-produced, a new service catering to this feeling has recently been started which offers customers table-mats made from their own wallpaper.

A new company called Intend is currently offering this service through Heals of 190, Tottenham Court Road, London, W1. There is not only a fairly wide selection of designs (as you

can see from the photograph there are round or rectangular mats, and differently-coloured and shaped borders) but Heals will be offering a wide selection of papers in the store from which customers may choose. If, however, customers prefer to bring along their own paper, which exactly matches or tones with their dining-room papers, then they are free to do so.

Trained staff are on hand at Heals to advise on proportions and colour matching. Prices start at £1.75 for a small coaster and go up to £5.40 for a large platter. Orders take about six weeks.

Boxing clever



RYMANS revolutionised the home office world by the simple expedient of painting their standard office filing cabinets attractive colours like white, bright red, yellow and so on. Such a simple idea, but how long it took somebody to think of it. Since then most of us have had no trouble finding some filing system that fits in with our own home decor, the only remaining difficulty being that they are very expensive.

Sometimes we need relatively inexpensive filing, for files that are only used occasionally or for children's files or cookery recipes. Bankers Box have produced a very inexpensive two-drawer 'Economy File'. The box is made from tough corrugated fibreboard reinforced with a steel hoop and it arrives flat ready to be folded into shape. The internal drawer sizes are 13 in by 10½ in by 15½ in long so the units will take A4 papers one way and foolscap the other. Each of the drawers has brightly-coloured fronts. The price of the unit is £8.50 (including p+p) and it is available by mail order only from Bankers Box, Kirk Sandall, Doncaster, Yorks.

Remember that the corrugated fibreboard units do not claim to be a permanent piece of furniture so don't buy one if you want something that will stand up to lots of wear. However, they are inexpensive and eminently suitable for years of storage if treated gently.

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Our magnificent Man's Shop on the Ground Floor is all things to all men. It has more superb coats and suits from international designers, more top quality knitwear, more tempting ties, shirts and shoes, more, in fact, of the best of everything for men—all under one roof.



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Left: Blouson with mandarin collar and gilet-style stitching detail. Zip front and two side pockets £150

Right: Waistied style with adjustable side belts and stitched pleats front and back—as featured in the Paris shows. Zip front and three pockets £180

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Beach buys

FIVE FLAVOR LIFESAVERS

Drawing by Jan Wheeler

THE beach mat that folds into a handy package for carrying is a standard piece of holiday equipment, yet if you actually want to buy one it isn't always easy to know exactly where to find them. This year all main branches of Salisbury's handbag shops are selling them for £2.99. I find them an invaluable aid for happier beach life—they provide refuge from the sand and some barrier between soft flesh and hard stones and on a recent holiday where a Yoga guru held daily classes it also made a very useful Yoga mat. The mat is quite large enough for even the largest man to lie out on; it measures 35½ in by 67 in when flat. It then folds first into three and then rolls up to form a neat little handbag shape measuring 11½ in by 5 in and you could carry a few small things like paperbacks and suntan lotion in the loose pocket.

An attractive summer carry-all is this life-saver shoulderbag. It comes in the authentic life-saver package colouring, with a life-like little tab, just like the one on the sweet pack. However, it is quite capacious and could carry all those things one needs either for the journey itself or for the beach. It is 13½ in long by roughly 7 in high and costs £7.25 from all main branches of Dorothy Perkins.



COLLECTING/GOLF

Decorator of panache

BY JUNE FIELD

THE RICH CLIENT wants to own furniture which he can be sure he will not find in the homes of those less rich than himself. This was the motto of Emile Jacques Ruhlmann (1879-1933), French decorator of considerable panache from around 1910 to the early 1930s.

An artist both as a man and designer, he designed his own clothes, and Delage, who created the Rolls-Royces of furniture, using the finest of materials: ebony, ebony, rosewood, and alabaster, enhanced with ivory, shagreen, tortoiseshell, opal, or bronze, all set off against a background of luxurious silks, satins, velvets or damasks. A "waterfall" chandelier could contain 20,000 beads, the door of a cupboard have a silk corded tassel as a handle. His aim was to create an overall air of luxury, elegance, comfort and convenience, from a chaise-longue in cream velvet and satin trimmed in gold Russian braid, on gilt wood feet, to a simple alabaster and chromium plated lamp, the on/off mechanism operated by rotating the alabaster.

His prestigious private clientele included Ducharme, manufacturer of silk in Lyons, Vosin, the automobile manufacturer, and Rodier, the textile magnate, for whom in 1931 Ruhlmann decorated an oak-panelled library with massive ebony furniture covered in tobacco-coloured velvet. (Legend has it that the wood was brought from the Caucasian mountains on the backs of men who exchanged it for gold ingots.) The French Government asked him to design for their embassies and town halls, he decorated the liner Ile-de-France, The Paramount Cinema

in Paris, and with Rene Caepye, the Yaxley showroom in London.

Yet until a decade or so ago, Ruhlmann's name was almost unknown. In a retrospective homage to him, artist/designer Martin Battersby wrote in the International design magazine Architectural Digest last year: "His furniture, most described by the critic Raymond Escholl in 1925 as the greatest masterpiece of twentieth-century cabinet-making, was virtually unsaleable." (until) Ruhlmann's creations were rediscovered, and there evolved from the dusty limbo of the unappreciated a growing realisation of their qualities.

Much of the reassessment is of course due to a dedicated band of collectors and dealers, Martin Battersby in the forefront, who researched and documented what they could of the master's work. Some of the records there to draw on are his brilliantly executed Hotel du Collectionneur project for the 1925 Exhibition in Paris (full title: Exposition Internationale des Arts Décoratifs et Industriels Modernes), and the Exposition Retrospective organised by Ruhlmann's widow in November 1932.

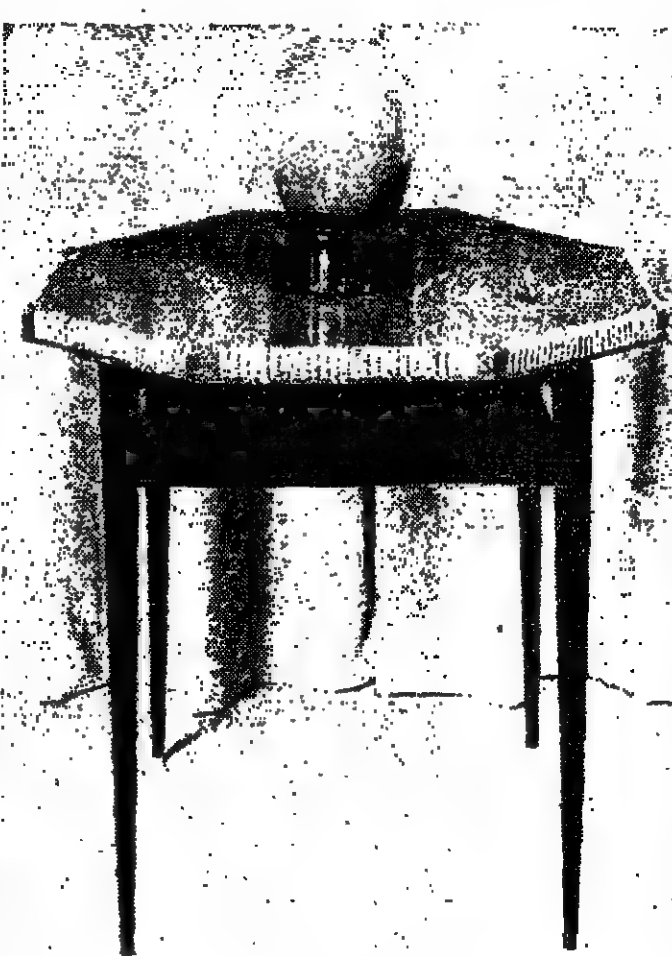
One thing no-one appears to have been able to pin down are details of Ruhlmann's early life. Born in Paris of a prosperous Protestant family from Alsace, he is said to have had some training in painting and design and produced his first furniture designs in 1901; when he married in 1907, the pieces he designed for his home were so admired that he was encouraged to continue. The first exhibition of his work is credited as

being in the 1910 Salon d'Automne, and after the war he took over his father's house, painting firm, expanding it into a maison de décoration, with his partner Laurent. On Ruhlmann's death his nephew, architect Alfred Porteneuve took over the business, changing the name to his uncle's request.

Adding a new dimension to the study of this influential decorator and modernist designer is the stylish display of the "Ruhlmann Centenary Exhibition" at the Foulkes Lewis Collection at their gallery (formerly the Decorative Interiors Gallery) 274 Fulham Road, London, SW10, open 11-7 Monday to Friday until September 7.

I first saw some of the handsome, impressive exhibits, supremely elegant, although not necessarily pretty, on Raymond Foulkes and Jenny Lewis's stand at the Decorative Arts Fair at the Camden Arts Centre in April, and I thought then what a tour-de-force the richly decorated pieces made. Now some 45 items, in two room settings, against a simple background of tobacco-grey coloured walls look even more striking.

There is a scholarly catalogue of the exhibition, by Raymond Foulkes and C. J. Lewis, with Deirdre O'Day as research consultant. Produced in de-bound folio form, with loose plates, as Ruhlmann's sketches were in 1924, it is in a limited edition of 300. For a copy send £25 plus £1 postage to Raymond Foulkes, Foulkes Lewis Collection, 274 Fulham Road, London SW10. For further reading you need Martin Battersby's The Decorative Arts, and The Decorative Arts, 1969 and 1971



Amboy and ebony table with ivory inlay and feet in "The Ruhlmann Centenary Exhibition" at the Foulkes Lewis Collection Gallery, 274 Fulham Road, London SW10, weekdays 11 am-7 pm until September 7

respectively, Bevis Hillier's The World of Art Deco, 1971 (all Studio Vista) and Alain Lesieur's The Spirit and Splendour of Art Deco (Penguin Press, 1974).

Items in the exhibition are for sale in the range £700-£7,000. At the Paris Hotel Drouot auction rooms recently a bed and commode sold for £30,000, while at Christie's New York, a small mirror fetched

£800. Various pieces come up in Sotheby's Monaco Arts Décoratifs Styles 1900 et 1925 sales—a red lacquered bed was in their June 23 sales; other major dealer-collectors are Gallery 25, 4 Halkin Arcade, SW1, Martins Forest, 8 Halkin Arcade, Lewis M. Kaplan Associates, 50 Fulham Road, SW3, and L'Odeon, 56 Fulham High Street, SW6, all of whom have contributed to the exhibition.

tion of material, much of it old and familiar, and trick it out with package case stencilling is not enough. The public are in no mood for more of this sort of exhibition of professional in-talk—what they would like to see are carefully selected examples of the very best architecture that the profession can offer. The small exhibitions that have been held at The Museum of Modern Art in New York are models of their kind. They have first rate photographs and a confidence about them that is totally lacking from this display which only conveys a general level of dreary competence with a very few outstanding peaks of real achievement.

Wet and windy

BY BEN WRIGHT

HALE IRWIN, the winner of the U.S. Open Championship for the second time, just 32 days ago, is poised to pull off the double win he prizes so much as the third round of the 108th Open Championship draws to a close in miserable rain here this evening.

With three holes to play, Irwin (68, 68-136), 6 under par when he started, has dropped back to 4 under par. But the mercurial Spaniard, Seve Ballesteros, just 22 years of age, has dropped back after his rounds of 73 and 65 for a total of 138 to be only one under par and therefore three strokes behind Irwin as the conclusion of the third round is reached.

The great duo of Turnberry's epic open of 1977, Tom Watson and Jack Nicklaus, are struggling along in third place, tied at one under par.

Mark James, who started at 3 over par 145, brought in a splendid score of 69 some time ago, to be the leader in the clubhouse, as they say, at one over par, 214 as the final three pairs come down to the closing holes.

The pencil-slim Englishman, Ken Brown, has just fallen apart over the inward half—and this is no disgrace, as so many others have done so before him—to get home in 40 shots for a total of 75, that has plunged him off the leader board and into the pack.

His partner, Australia's Graham Marsh, has fared little better over this, the decisive portion of the course, taking 39 shots for the distance to finish also on 75, but one stroke ahead of Brown at 217.

After this, the proceedings were almost uneventful and until suddenly the accurately forecast rains, forecast for the late afternoon and early evening, became a fact of life.

As the water pelted down, it became obvious that the bespectacled Irwin, who hates to wear headgear, would be the most uncomfortable, and that Ballesteros who used to go out to play in the rain with purloined clubs when the members came in as the rain lashed in from the Bay of Biscay on to the golf course when the young



Hale Irwin

Spaniard was a youthful caddy, could do nothing but benefit. And so it turned out. Irwin was still four shots ahead of both Ballesteros and Nicklaus as they came to the 9th hole.

The 22-year-old from Santander picked up a birdie here and immediately got to within two shots of his closest rival as Irwin dropped a stroke at the 10th. At the 11th Irwin, plainly at odds with himself, dropped another stroke, but Nicklaus had started on a disastrous three-hole streak at the long 11th also, which cost him three strokes in as many holes.

So suddenly there was only one stroke between Irwin and Ballesteros, and these two had just swiftly become the only players below par in the entire championship as conditions became even viler than they have been all week—and they have been scarcely less than miserable at best.

Of the supporting cast, the eccentric Britisher, Mark James, made the most significant move today with a round of 69 that gave him a three-round total of 214. Roger Davis of Australia had 70 for a total of 215 while at 216 came his countryman Greg Norman (72) and the leading Japanese Isao Aoki (72).

Peter McEvoy, the dual British amateur champion, made virtually certain of becoming the leading amateur in the tournament with a splendidly played round of 72 for a total of 217. The triumphant march of the comparatively inexperienced Wayne Player, the son of the legendary Gary, was brought to an abrupt halt when the young South African took 83 shots to make the entire very one-sided in McEvoy's favour.

Lee Trevino totally ruined an upward half of 23 that brought him right into contention with a disastrous inward run of 41

shots that left him on 218 alongside the consistent Englishman, Michael King.

The conditions from the start of the day had been slightly more pleasant than those that prevailed during the earlier part of the week, in that the wind was just as strong, but at last it was tempered by some pleasant sunshine. Conditions were difficult, however, because of the dust flying in clouds and the consequent high bounce of the ball. Irwin overcame became the 1-2 favourite with 9-2 available against the chances of Ballesteros and Watson. The third-placed Longmire attracted no attention at 66-1.

As I speak, the leader board reads as follows: Irwin is 4 under par after 15 holes, while Ballesteros who has just dropped strokes at the 14th and 15th, is in second place at one under par. But the fireworks of yesterday over this closing stretch produced by the young Spaniard have now been thoroughly doused by the rain as he has fallen three strokes behind. These two players are the only two under par, and James' score of 214 is looking better and better, as he is tied for third place alongside the great Nicklaus, one over par after 17 holes and Watson, one over par after 16.

Crenshaw and his American compatriot, Bob Byman, have just finished with rounds of 72 apiece for totals of 215, two over par, and so Irwin, who had looked so strong in the early stages before the rains came, is suddenly totally in command again—and at the right time of day. It is difficult to see him being beaten now.

Your Weekend 2: Australia 28.85, Belgium 28.85, France 28.85, Italy 28.85, Greece 7.00, Spain 14.00, Switzerland 7.00, U.S. 2.27. Source: Thomas Cook.

Too big a build-up

ARCHITECTURE

COLIN AMERY

The Royal Academy in its hospitable and rather undiscriminating has been playing host to an exhibition that aims to convince the public that architects are a good thing and that you need one almost every day. Until today we have been

able to see the work of 62 members of the Association of Architectural Architects—a pressure group for the promotion of the private architect—in effect a trade show held under the kindly but not very material umbrella of the Royal Academy of Arts. A glance round this exhibition reveals no trace of anyone exercising any powers of selection or discrimination at all.

The title of the exhibition is oddly misleading one. First of all, no one would call the National Theatre or the Economic Building everyday in any way. These are not the kind of commissions that come the way of all architects and they value them to see them displayed alongside some of the most mediocre work to come off the architects' drawing boards.

An exhibition that is intended to win friends for the

architectural profession really shouldn't be quite so embracing. Each of the 62 exhibitors was offered a panel to fill with photographs and a few words that describe the nature of their work. Some of them have provided models that the public usually prefer as they tell the story of a building in an immediately comprehensible way. How sad it is that Jim Stirling, who is without any doubt one of the best modern architects in the world, should think that it is sufficient to submit two elderly models of long-built schemes.

As the exhibition has not applied any editorial standards to its selection it may be helpful to have a quick guide to the best things to see. Arup Associates' new brewery for Trumans in Spitalfields is of considerable interest. Norman Foster's Salisbury Centre for

the Visual Arts at the University of East Anglia is one of the most spectacular new buildings in the country and his photographs are well chosen and excitingly displayed. The project for the tower proposed to stand the Whitney Museum in New York designed by Norman Foster with Derek Walker Associates is a fascinating idea—High Tech built larger than life although it is at present only an idea.

Dennis Lasdon and Partners European Bank in Luxembourg is shown in its incomplete state and one waits with considerable interest this important British contribution to the European scene.

Perhaps it is time to make a plea to architects to think twice before they contemplate an exhibition in such prestigious galleries as these. Simply to lump together a random selec-

tion of material, much of it old and familiar, and trick it out with package case stencilling is not enough. The public are in no mood for more of this sort of exhibition of professional in-talk—what they would like to see are carefully selected examples of the very best architecture that the profession can offer. The small exhibitions that have been held at The Museum of Modern Art in New York are models of their kind. They have first rate photographs and a confidence about them that is totally lacking from this display which only conveys a general level of dreary competence with a very few outstanding peaks of real achievement.

CHESS

LEONARD BARDEN

FOUR-PLAYER International tournaments, in contrast to the ten to sixteen man-all-play-alls which have been conventional for many years, are gaining in popularity. The pattern for such events was set in 1975 when Karpov competed in Amsterdam and Manila, each time against three other grandmasters and caused a major surprise in the latter when he lost to the Filipino champion Torre.

The usual pattern of four-man tournaments is double round, and the latest such event was held last month. Karpov again took part in a "Max Euwe Cup" in honour of Holland's former world champion, Karpov won three of his first four games against Hort, Kavalek and Sosonko to finish first with a round to spare.

Karpov's great rival Korchnoi starred in another four-man event played during May in four South African cities. Because of South Africa's suspension from FIDE (the World Chess Federation) the country has few opportunities for international chess contacts but has nevertheless made continuous efforts to stage important events with the participation of European and American players.

The "Oude Meester Grand Prix" was the most ambitious

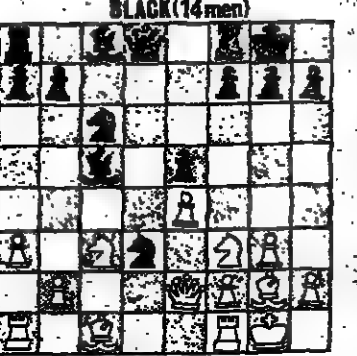
South African promotion to date. The players were Korchnoi (Switzerland), Unzicker (West Germany), Miles (England) and Lein (United States) with the U.S. grandmaster Lombardy as commentator. Four round-robin cycles were staged in Pretoria, Durban, Cape Town and Johannesburg. Tony Miles was the second highest rated player and should on paper have been Korchnoi's main rival. But the British No. 1 has been struggling to find his best form in recent months and in addition he had suffered two recent severe reverses at

Korchnoi's hands at Buenos Aires and Wijk aan Zee. At the moment Miles cannot handle Korchnoi; in their individual series in South Africa he was heavily defeated by 3-1, and was outplayed by the West German veteran Unzicker for second prize. Results were Korchnoi 84 out of 12, Unzicker 64, Miles 5, Lein 4, with this second round game setting the pattern for Korchnoi's supremacy.

White: V. Korchnoi, Black: A. J. Miles. Opening: Slav Defence (Pretoria 1979).

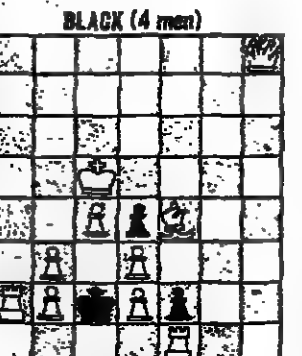
1. P-Q4, P-Q4; 2. P-QB4,

POSITION No. 277



Tal v. Christiansen, Tallinn 1979. Though Tal (White, to move) is the most eminent tactician in world chess, few expected any rapid finish in this diagram. Black even looks well placed due to his strong knight at Q6—but in fact he is lost as Tal's next move demonstrated. What did White play?

PROBLEM No. 377



White mates in three moves at latest, against any defence (by C. S. Ripping, The Problemist 1951). Black's king has no moves but is hard to wrinkle out of his fortress.

Solution Page 14

P-QB3; 3. N-KB3, N-KB3; 4. P-K3, B-B4; 5. B-Q3, Bx3 this exchange is normally delayed until White commits his knight to QB3; 6. Qx3, P-K3; 7. Q-Q3, Q-N3; 8. N-B3, P-KB4; 9. PxP, B-PxP; 10. N-K5 left Black with a weakened pawn formation in Korchnoi-Livshin, USSR championship 1954; 8. ON-Q2, B-K2; 9. R-Q1, Q-Q1; 10. P-K4, P-QR4 (in aiming for a complex game, perhaps with a view to enticing Korchnoi into time trouble later, Miles only succeeds in getting a cramped position. The simple PxP, 11. N-P, N-N; 12. Q-N, N-B3 followed by Q-R4 or Q-N3 should equalise; 11. P-QR4, Q-B2; 12. P-K5, N-K1; 13. P-QN3, P-KB4 (this leaves the KP weak: more logical is PxP followed by P-QB4); 14. PxP e.p., R-P; 15. N-B1, N-Q3; 16. N-N3, Q-RB1; 17. R-K1, N-B2; 18. N-R5 (forcing a reply, since if 18. N-B4, R-B4; 19. N-N3, R-B3; 20. PxP, B-PxP; 21. N-N5, R-B4; 22. R-P, R-N (R4); 23. R-B, N-Q1 (hoping the attack on KR7 will make up for a pawn, but White has seen further); 24. B-R3, R-N; 25. QxR, QxP ch; 26. K-B1, N-KB3; 27. R-K5 ch; (Black is given no time for Q-R8 ch and QxR; K-B2; 28. R-B ch, K-N3; 29. P-KN4, R-N4 (Q-R8 ch; 30. K-K2); 30. B-B1, Resigns (R-P; 31. R-N ch).

A four-man super-tournament would be a fine event in Britain—say with Karpov or Korchnoi, a top American, Miles or Stean, and next month's Griesonov Grant British Champion, playing in Manchester, Birmingham and London.

wood sequence reached six spades, against which West led the diamond King. Once again, with only eleven winners, South must rectify the count. In a no trump contract he would let the King win, but with a trump suit, he must take it—otherwise East makes a ruff. He then draws trumps in three rounds, cashes three top hearts, and ruffs a fourth heart.

As the count has not been rectified, an ordinary speeze is not possible, but a Squeeze without the count can be operated. In the five-card position West holds Queen, Knave, ten of diamonds and the King, Queen of clubs, dummy has three diamonds and Ace, Knave of clubs, while declarer has two trumps, the diamond nine, and two clubs.

A trump is played, and West can throw a diamond—he is not squeezed. But when the second spade forces West to throw an other diamond, dummy throws the club Knave, and now South puts West in with a diamond, at the same time rectifying the count. West must play a club, and dummy makes two tricks.

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CONCERTS

WIGMORE HALL

Tonight 21 July 7.30 p.m.	ENGLISH TASKIN J. A. Viles £2.20, £1.70, £1.20, 80p Wigmore Summer Nights	Carmel Karim, John Williams violin, David Brown, cello, Elizabeth Werry harpsichord, Trine by Telemann, Handel, Bach, Sonatas by Bach, Vivaldi
Sunday 22 July 7.30 p.m.	ATHENA WIND ENSEMBLE Music for a Summer Wigmore Summer Nights	Mosart: Fantasia for two Oboes/clarinet in minor, 1760; Quintet Op. 43 Rompert: Chaconne in F major Music Op. 311, 1840 Intermission, £2.20, £1.70, £1.20, 80p
Tuesday 24 July 7.30 p.m.	GERALDO SINGERS Dir: Gerald Price £2.20, £1.70, £1.20, 80p	Italian and English Music: Motets & Madrigals Barthelmann in St. Cecilia
Wednesday 25 July 7.30 p.m.	STYNNER STYNNER QUARTET Wigmore Summer Nights	Schubert: Quartet in D minor Op. 147 and the Madras Schubert: Quartet in B flat Op. 130 (Original version with "Grosse Fuge") £2.20, £1.70, £1.20, 80p
Thursday 26 July 7.30 p.m.	SIMON VAUGHAN Simon Vaughan Quartet £2.20, £1.70, £1.20, 80p	SCHUBERT: Die Winterreise
Friday 27 July 7.30 p.m.	DUNCAN JAMES £2.20, £1.70, £1.20, 80p	Patrick Gowers: Rhapsody for Guitar & cello Bach: Chaconne in D minor Penderecki: Requiem Music by Debussy & Villa-Lobos

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LEGAL NOTICES

No. 001495 of 1979
In the HIGH COURT OF JUSTICE
Chancery Division, in the Matter of
FRACER ANSBACHER LIMITED and
in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 3rd day of July 1979 presented to Her Majesty's High Court of Justice for the confirmation of a Scheme of Arrangement and (b) the confirmation of (i) the cancellation of the share premium account of the above-named Company amounting to £3,433,180 and (ii) the reduction of the capital of the above-named Company from £10,000,000 to £4,441,250 in accordance with the terms of the said Scheme of Arrangement.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before The Honourable Mr. Justice Slade at the Royal Courts of Justice, Strand, London on Monday the 30th day of July 1979.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said Reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring it to be so by the undersigned Solicitors on payment of the regulated charge for the same.

Dated the 21st day of July 1979.
S. LAUGHTON AND MAY, 35 Abchurch Lane, London EC4N 3DB.
Solicitors for the above-named Company.

No. 001762 of 1979
In the HIGH COURT OF JUSTICE
Chancery Division, in the Matter of
GUMMOWEALTHAM SAILING LIMITED
and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 4th day of July 1979 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share premium account of the above-named Company from £78,302 to £14,302.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before The Honourable Mr. Justice Slade at the Royal Courts of Justice, Strand, London on Monday the 30th day of July 1979.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the reduction of the share premium account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring it to be so by the undersigned Solicitors on payment of the regulated charge for the same.

Dated the 21st day of July 1979
AMHURST BROWN MARTIN & NICHOLSON,
2 Duke Street,
St. James's,
London, W.2J.
Solicitors for the said Company.

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ART GALLERIES

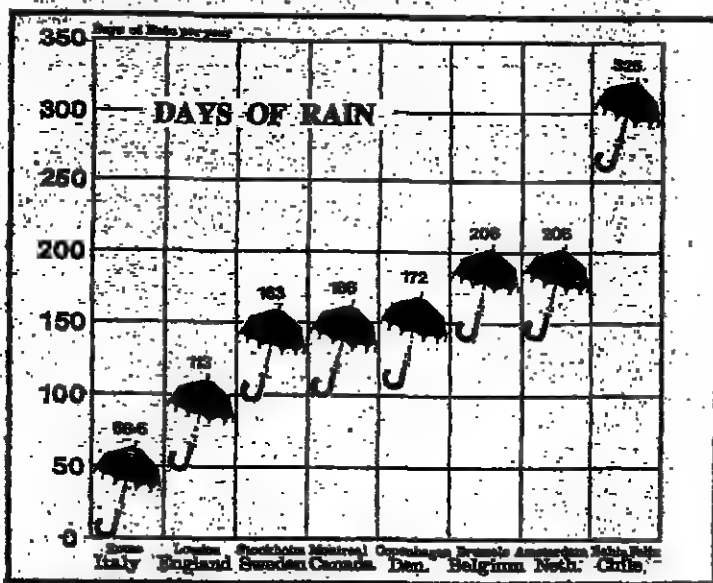
ROY MILES GALLERY, 6, Duke Street, St. James's, London, SW1. THE VICTORIAN RENAISSANCE, Mon.-Fri., 10-5.
COLMAGH, 14 Old Bond St., London, W.1. Tel: 01-491 7400. OLD MASTER PAINTINGS AND DRAWINGS and 19th Century Miniatures, Mon.-Fri., 10-5.
GALLERY 18, 10, Grosvenor St., W.1. Tel: 451 5103. Contemporary Paintings and Sculpture, including works by Peter Cook, R. Foster, G. Coe, J. Ball, 9.30 am to 5.30 pm, Saturday 9.30 am to 1 pm.
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Weekend Brief

Mr. Coe's winning ways

OF ALL the sports achievements the year may yield, none is likely even to approach the astonishing world mile record set by Britain's Sebastian Coe in Oslo's Bislett Stadium on Tuesday night. In the greatest mile race ever run—the tenth man to finish clocked 3 minutes, 55.3 seconds—Coe lowered the world mark by four-tenths of a second to 3min. 49sec., having 13 days previously established a new world mark of 3min. 52.4sec. over 800 metres in the same stadium.

True, the track and the weather were perfect. But it was a performance of the greatest brilliance by a 23-year-old who until the race began, didn't know there would be a pacemaker in the field (a task masterly shouldered by Steve Lacy of the U.S.); didn't know what the ruling world mile record was; to whom the "split" times of the mile meant nothing because he was so accustomed to running over 800 metres, and who was really only added to the field because, in the words of one athletics writer, he was "thought to be a man of possibilities".

Coe fits beautifully into the mould of the great mile runners of the past 25 years: Bannister, Lacey, Egan, and Walker, who together with Coe make up the roll-call of sub-four-minute mile record holders.

He is the most modest, most likeable of men: the holder of a double honours degree in economics and social history from Loughborough University who even in the maelstrom in Oslo on Tuesday displayed the intelligence and maturity to peer beyond next summer's Moscow Olympics.

"After it, everything went right for me in Moscow," he says. "I think I could only be so lucky for five years more at the most. I'm concerned about the rest of my life and that's why I will do post-graduate work of some kind next year, as well as train. The combination of sport and study has been tough, but it's been worthwhile, and I know it suits me."

It is not as though the previous mile record was not a

The spectacular emergence of the fastest miler yet . . . How petrol bad news for some is good for others . . . and a long wait for THF

good one. In 1975, John Walker of New Zealand lowered the world mark to 3min. 49.4sec. in Gothenburg. It was a "good" world record, one that might have survived a while longer—but then came Tuesday, and Oslo, and young Mr. Coe.

In the U.S., where they use computer projections in matters of this kind, it is reckoned that by the year 2028, the record for the mile will have been lowered to around 3min. 30sec. On the evidence of this week, the top mile runners are well on schedule.

The other gushers in oil

THE CARS were queuing for miles along the littered streets of New York last week. Motorists grumbled and bumper stickers assailed OPEC, the President, and oil companies. But amid the chaos of America's petrol problems, there have been quite a few energy-related Wall Street success stories.

Du Pont, for example, has been marketing a curious product called TMT. This is an additive purchased in tins for \$15 and mixed with oil for improved performance and better mileage per gallon. Du Pont's performance has not suffered from the new product. It has remained close to its 12-month high of \$45 in recent weeks.

Another item which is suddenly in great demand is the portable petrol container. This is a must for those Americans who fear that they will run out of petrol or simply want to board a bit more than their tanks will hold. The Bufty Corporation has started selling such a product and its share price has jumped accordingly. Bufty is now at \$17 a share, near the top of its 12-month high and a lot higher than its \$4 a few months ago.

For those motorists who are really frustrated by the long petrol queues, a company called Petrolene is ready to convert automobiles in the U.S. from petrol to liquid petroleum gas. Petrolene has been getting over 3,000 telephone inquiries a day recently, from car owners seeking this conversion. Its share price has shot up from \$29 in January to around \$42 a share.

Then there's the synthetic fuel sweetener. President Carter ordered the decontrol last Monday of the price of "heavy oil." This is a very thick crude, found largely in California and convertible into regular petrol through a steam injection process. The largest beneficiary of the decontrol has been the Getty Oil company, whose share price reached a high of \$56 recently, up from \$40 six months ago.

Santa Fe Industries comes second, with a six-month increase from \$30 to \$44 a share. Santa Fe is a railroad outfit, but owns huge tracts of land, plentiful in heavy oil.

Another big winner from the heavy oil decontrol decision is Husky Oil, a U.S. company being taken over by Alberta Gas Trunkline, which is Canadian. Husky owns lots of land in Alberta, Canada, where the heavy oil runs thick. Alberta Gas was offering \$48 per share to Husky, but Husky has now risen to \$60. Analysts in New

THINK OF a number. The national income per head in Liechtenstein? The answer is \$3,440 (actually it isn't, or rather it was in 1974, but let us progress). The number of toothbrushes sold each year in Canada, Denmark and Japan? The answers are respectively 20m, 5m and 16m. The state of the Soviet defence budget? Answer: \$72.5bn. The percentage of total deaths from heart or related diseases in France? The answer is 38 per cent (the lowest incidence of such diseases in Europe). The level of *joie de vivre* in Britain expressed in terms of annual consumption of champagne? That's easy: 7.3m bottles.

I am not producing these figures from the top of my head. They are drawn from The Book of Numbers, described by its publisher, Pelham Books, as a compilation of the world's most interesting facts and figures. The Book of Numbers is not a light-hearted undertaking. True, it provides international comparisons of bra sizes, drinking habits, crime rates, sexual behaviour, levels of air pollution and the number of golfers (and teaching professionals) per 1,000 of population.

But it also addresses itself to industrial accidents, pension rates, levels of home ownership, living expenses, income and inheritance tax, government expenditure, international aid, rates of inflation and economic growth—all on an international scale.

An indication of the lengths and breadths, highs and lows, reflected in The Book of Numbers is provided by a few of the questions (rhetorical, to be sure) printed on the dust jacket. Where does it rain 325 days a year? Where is inflation highest? Who loses most salary in taxes? Who rents? Who owns? Where do you have to vote? In which country are 95 per cent of burglars caught?

It is a daunting compilation, an attempt to bring international statistics to life. The compilers spent two years amassing their material, researching and collecting facts and figures from a very wide range of sources: government agencies, market

and opinion research companies, commercial studies, census bureaux, the UN, the World Bank, Interpol, the FBI, the OECD, and so on.

Where the Book of Numbers strays onto truly sensitive commercial territory, such as the incidence of world dandruff, the size of the international hair colourant market or the number of women in the industrialised West who buy blusher, the book's 160 charts and tables quote "confidential industry sources." This is fair enough, given the desperate protectiveness with which marketing companies guard their data. In all other cases, the book lays its sources, and its cards, firmly on the table.

Elizabeth Barrett Browning wrote: "How do I love thee—let me count the ways." To guide them through their counting, the book's editors were assisted by an international board of advisers working in conjunction with the World Association for Public Opinion Research.

Progression

The chairman of the advisory board was Mr. Robert M. Worcester, managing director of the London-based Market and Opinion Research International. Mr. Worcester is also the British Labour Party's private pollster. His colleagues on the advisory board were eight distinguished market and political researchers, including Prof. Elisabeth Noelle-Neumann, director of the Institut fuer Demoskopie at Allensbach in Germany; Mr. Richard Scammon, director of the Elections Research Centre in Washington DC, and Mme. Helene Riffault, director general of the Institut Français d'Opinion publique in Paris.

The Book of Numbers draws on 2,000 sources and involved its compilers in what are called "200,000 travel miles." Mr. Worcester agreed this week that at this stage The Book of Numbers is "more fun than reference," but advised potential critics to consult the first edition of the Guinness Book of Records to see how far, and to what degree of sophistication,

it is possible for a work of this sort to progress.

The Book of Numbers is intended for use in three main ways. First, it attempts to provide answers to very wide-ranging questions on a roughly comparable basis. If nothing else, it will settle many an argument over after-dinner drinks. Second, insofar as possible, it lays out its figures in such a way that if you wished to compare levels of alcoholism with lack of work incentives, or link degrees of socialism to those of economic welfare, you are welcome to try. Third, the authors hope that it will become a standard reference work for those who need accurate facts and figures on a multi-national basis.

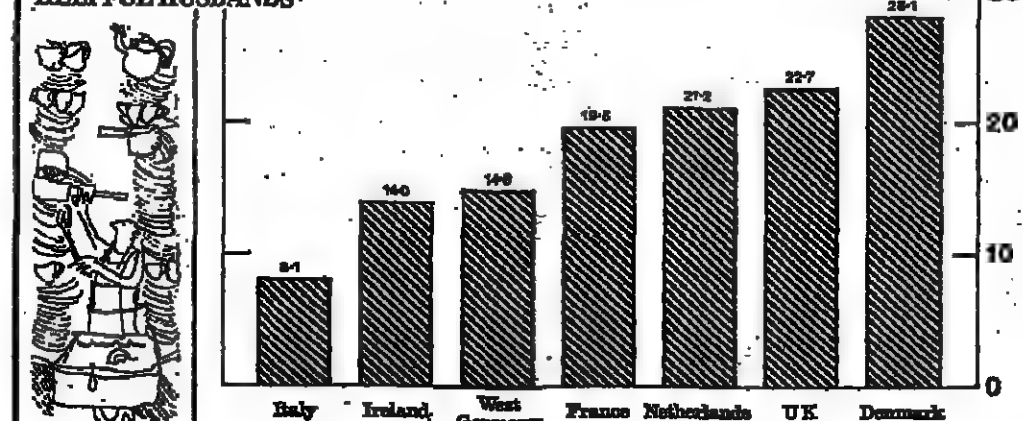
Among the research organisations that provided reams of data were Gallup International, MORI and NOP. In addition, banks and business concerns, say the authors, divulged their secrets—often for the first time. The authors claim this is the first book that "takes most of the world's available statistics and puts them on a roughly comparable basis."

That is a tall order indeed. The problem must have been immense, which is why, by and large, The Book of Numbers confines itself to the 17 major industrial countries that produce what its authors call "accurate, roughly comparable, facts." Each of the tables lists the date and source of its data.

The authors stress the difficulties and the paradoxes inherent in an exercise of this kind, and warn against the perils of simplification. "For example, in Japan in 1978 they had 0.01 fatal accidents for every 100 million hours worked in their factories. This means a person would have to work eight hours a day for over 30,000 years before he could expect to be killed at his work. A likely tale! Nor does this convey how safety regulations vary in different countries."

The three trickiest areas the researchers encountered involved personal consumption habits, sex and crime. Research exists on how often people change their underwear, yet it

HELPFUL HUSBANDS



is confidential, and even Mr. Worcester and his advisory board were unable to grasp that prize. The most innocuous-sounding research data is often protected the most jealously.

Sex is tricky. Since Kinsey's pioneer study in 1948, masses of material have been published on what is a subject dear to most hearts, but to the best of the researchers' knowledge, there are no uniform worldwide statistics.

Finally, and remarkably, uniform international crime statistics are almost impossible to unearth. How many people were shot in Britain last year? It is possible to find out. But other countries, such as Italy, may not even make a list.

There are no prizes offered for spotting mistakes, if only because this is the first edition. Nor is it profitable to speculate on some of the more bizarre forms of measurement. For example, there is a two-page section on "Wealth Indicators" that eccentrically restricts itself to reporting how many Rolls-Royces, Aston Martins and Panther de Villers were purchased in each of the 17 countries in 1977, as well as the number of raw rubies imported by each of the 17 as a percentage of the total of 100,000 raw rubies sold by auction in the USSR in the same year. (Calculations of the latter were based on invoicing and shipping instructions. Studying

these exotic indices of international wealth, we see that the U.S. was top of the tree in fables and Aston Martins, while Japan bought no Panther de Villers at all).

Likewise, one would not venture deep into the committee room of any trade union and start reading off The Book of Numbers on topics such as "strikes" (the section is based on data for 1975 and compares the number of disputes, man working days lost and the average number of workers per dispute), nor "labour productivity," if only because the figures are four years out of date (their sources, in most cases, was the International Labour Organisation).

On the other hand, the compilers are striving to compare like with like, and it seems that the scope for aggregating their data over a period of time is very considerable. This they hope to do. One set of figures, however diligently compiled, may provide "more fun than reference," but a decade's worth, professionally compiled, properly interpreted and brought together between one set of covers, would be a different kettle of fish. (Kettles? They are not easy, but 75 per cent of Belgian households own a washing machine. Fish? There are no acceptable world statistics for fish consumption, but each Canadian eats 50 lbs of poultry a year, which is more

than many else).

Many sections of the book suffer not at all from being slightly out of date. Using 1976 data, we learn that 13 per cent of Canadian males do not shave regularly, against 4 per cent of Italians. In 1970, the number of psychiatrists per 1,000 of population was highest in the U.S., at 23.2, while the number of mental hospital beds per 10,000 of population was highest in Ireland (47.9).

On the strength of The Book of Numbers I am now exceedingly well informed on matters that range across air deaths, population growth, land areas, wettest months, coldest cities, tax rates, crime rates, cinema attendances, speed limits (in built-up areas and on motorways), voting habits, balances of payment and the incidence of breast cancer.

I know there to be 438,800 miles of paved road in France and 115 daily newspapers in Spain. I am aware that 42 per cent of the UK population suffers regularly from headaches, and that 69 per cent of all French women take a B-cup. Ask me a number.

*Australia, Austria, Belgium, Canada, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Denmark, Sweden, Spain, Switzerland, UK, U.S.

The Book of Numbers. Compiled and edited by Heron House Associates. Pelham Books, London, £5.50.

Economic Diary

TODAY—Mr. James Callaghan, Opposition Leader, at Durham Miners Gala.

SUNDAY—Mr. Len Murray, general secretary, Trades Union Congress, addresses Tolpuddle martyrs rally. London taxi fares rise by overall 29 per cent. National Savings monthly progress report.

MONDAY—Two-day Financial Times conference Budget 1979 opens, Dorchester Hotel, London—speakers on first day include Sir Geoffrey Howe, Chancellor of the Exchequer, Mr. Denis Healey, Opposition spokesman on Treasury and Economic Affairs, and Mr. Tom Jackson, chairman, general

council, TUC. Mr. Sidney Weighell, general secretary, National Union of Railwaysmen, talks with Mr. David Howell, Energy Secretary, on energy crisis. TUC-Labour Party liaison committee meets, Transport House, London. EEC Budget Council meets, Brussels. New vehicle registrations (June).

TUESDAY—House of Commons debates regional industrial policy. Meetings of EEC Foreign and Agriculture Ministers, Brussels. Unemployment and unfilled vacancies provisional

figures for July. Bricks and cement production (June). Power workers' pay talks resume. British Gas annual report.

WEDNESDAY—Commons debates Southern Africa—Prime Minister is main Government speaker. Foundry owners in talks with Government representatives and union leaders at meeting of the National Economic Development Office economic development committee for foundries. TUC general council meets, Congress House, London. Meeting of Labour

Party national executive committee, Transport House, London. British Shipbuilders' annual report. Housing Corporation annual report. THURSDAY—British Airways annual report. Electricity Council annual report. Energy Trends publication. Institutional investment (1st quarter). Department of Employment Gazette publication.

FRIDAY—National and Local Government Officers' Association special delegate meeting on local government pay offer, Central Hall, Westminster. Parliament rises for summer recess.



This past week has seen the rare spectacle of motor racing in the City of London, not the real thing but 1/12th radio-controlled scale models. BP and Hadley Models have been sponsoring this mini-spectacular on the BP Piazza off Moor Lane. Today (from 10 am to about 5 pm), see the finish. It's all for charity.

York, however, are saying that a conservative estimate of the share value would be more than \$100.

Then there's the Tokheim Corporation, which has struck it rich by manufacturing petrol pumps. Since petrol is over a dollar in some parts of the States, the old three-digit price register on the pump is fast becoming obsolete. Tokheim has been marketing a new four-digit counter waiting in the wings.

Tokheim, which stood at \$12 a year ago, was up to \$13 in April, and is currently coasting at nearly \$18 a share.

The Tubos de Acero de Mexico (TAMSA) is an obscure Mexican steel company which was selling for about two dollars a share 18 months ago. But TAMSA has a monopoly position in supplying PEMEX, the Mexican Government petroleum company, with steel tubing and drilling pipes. TAMSA is currently soaring above \$30 a share.

Meanwhile, for Cadillac-driving, petrol-hungry Yanks, General Motors has got a special product. It is a 55-gallon tank which can be installed into a Cadillac boot. The petrol tank sells for \$350.

General Motors and others are also marketing a petrol tank lock, which has become necessary as petrol thieving grows. The locks, which sold for a mere \$6 a few weeks ago, are now being sold for up to \$39!

Finally, reports indicate that Americans whose cars are stolen with full petrol tanks are a lot more irate than those who had not topped theirs up yet.

months ago. A \$5m bridging loan from the National Bank of Bahrain helped to pay the contractors, Hyundai Construction Company of South Korea, for the work already done. But in the absence of further finance, Hyundai moved its men and machinery out in February last year. The deserted building site was the first thing to catch the eye of visiting businessmen as they drove into town across the causeway from the airport.

Loan negotiations with a group of Kuwaiti Banks became protracted, and there were rumours that the management company, Trust Houses Forte, wanted to withdraw from the project. It took until May this year to finalise the loan and contract agreements and Hyundai started remobilising its workforce from June 30.

National Hotels Company was founded in 1972 with equity of just under \$8m. Its major project, the Diplomat, was to be a five-star, 16-storey hotel with 264 rooms, a banquet hall for 700 people, a revolving roof-top restaurant and an arcade of nine shops. The architects are Swank and Zahara, of California and Bahrain. The revolving restaurant has now been postponed to Phase Two, along with a nightclub and a glass-walled lift. Phase Three—receding further and further into the future—envisages a second tower block of about 308 rooms.

A management contract was signed with Trust Houses Forte in 1975. For both the diplomat and a more modest businessman's hotel, the Al-Jazira, which was completed and opened a year ago.

With all the technical hurdles cleared, the new date for completion of the Diplomat is October, 1980. By the time it opens, however, it will be in competition not only with the Hilton, Gulf, Delmon and Holiday Inn, but with the Sheraton and French-built Regency, both due for completion next year.

Sand in the hotel works

THE GAUNT steel skeleton of The Gaunt steel skeleton of Bahrain's Diplomat Hotel, for long regarded as "psychologically bad" for the island's economy, is to get some flesh on its bones at last.

The \$40m luxury hotel was only 40 per cent completed when the promoters, National Hotels Company, chaired by Ahmed Zayani, ran out of money 18

Contributors:

Michael Thompson-

Alan Friedman

Mary Frings

Noel

July 12, 1979

Electricity Supply Commission

Guaranteed Floating Rate Notes due 1982

NOTICE IS HEREBY GIVEN that there has been selected by lot for redemption on August 15, 1979, and on that date ELECTRICITY SUPPLY COMMISSION will redeem through operation of the Sinking Fund, at 100 per cent of the principal amount together with interest accrued thereon to the date fixed for redemption, \$1,000,000 principal amount of Notes of the issue above designated, bearing the following serial numbers:

NOTE NUMBERS WITH PREFIX LETTER M (To be redeemed in full at the principal amount of \$1,000.)																
1	618	1323	1784	2144	2433	2710	2987	3217	3426	3641	3832	4007	4279	4599	5018	5271
2	619	1324	1785	2145	2434	2711	2988	3218	3427	3642	3833	4008	4280	4600	5019	5272
3	620	1325	1786	2146	2435	2712	2989	3219	3428	3643	3834	4009	4281	4601	5020	5273
4	621	1326	1787	2147	2436	2713	2990	3220	3429	3644	3835	4010	4282	4602	5021	5274
5	622	1327	1788	2148	2437	2714	2991	3221	3430	3645	3836	4011	4283	4603	5022	5275
6	623	1328	1789	2149	2438	2715	2992	3222	3431	3646	3837	4012	4284	4604	5023	5276
7	624	1329	1790	2150	2439	2716	2993	3223	3432	3647	3838	4013	4285	4605	5024	5277
8	625	1330	1791	2151	2440	2717	2994	3224	3433	3648	3839	4014	4286	4606	5025	5278
9	626	1331	1792	2152	2441	2718	2995	3225	3434	3649	3840	4015	4287	4607	5026	5279
10	627	1332	1793	2153	2442	2719	2996	3226	3435	3650	3841	4016	4288	4608	5027	5280
11	628	1333	1794	2154	2443	2720	2997	3227	3436	3651	3842	4017	4289	4609	5028	5281
12	629	1334	1795	2155	2444	2721	2998	3228	3437	3652	3843	4018	4290	4610	5029	5282
13	630	1335	1796	2156	2445	2722	2999	3229	3438	3653	3844	4019	4291	4611	5030	5283
14	631	1336	1797	2157	2446	2723	3000	3230	3439	3654	3845	4020	4292	4612	5031	5284
15	632	1337	1798	2158	2447	2724	3001	3231	3440	3655	3846	4021	4293	4613	5032	5285
16	633	1338	1799	2159	2448	2725	3002	3232	3441	3656	3847	4022	4294	4614	5033	5286
17	634	1339	1800	2160	2449	2726	3003	3233	3442	3657	3848	4023	4295	4615	5034	5287
18	635	1340	1801	2161	2450	2727	3004	3234	3443	3658	3849	4024	4296	4616	5035	5288
19	636	1341	1802	2162	2451	2728	3005	3235	3444	3659	3850	4025	4297	4617	5036	5289
20	637	1342	1803	2163	2452	2729	3006	3236	3445	3660	3851	4026	4298	4618	5037	5290
21	638	1343	1804	2164	2453	2730	3007	3237	3446	3661	3852	4027	4299	4619	5038	5291
22	639	1344	1805	2165	2454	2731	3008	3238	3447	3662	3853	4028	4300	4620	5039	5292
23	640	1345	1806	2166	2455	2732	3009	3239	3448	3663	3854	4029	4301	4621	5040	5293
24	641	1346	1807	2167	2456	2733	3010	3240	3449	3664	3855	4030	4302	4622	5041	5294
25	642	1347	1808	2168	2457	2734	3011	3241	3450	3665	3856	4031	4303	4623	5042	5295
26	643	1348	1809	2169	2458	2735	3012	3242	3451	3666	3857	4032	4304	4624	5043	5296
27	644	1349	1810	2170	2459	2736	3013	3243	3452	3667	3858	4033	4305	4625	5044	5297
28	645	1350	1811	2171	2460	2737	3014	3244	3453	3668	3859	4034	4306	4626	5045	5298
29	646	1351	1812	2172	2461	2738	3015	3245	3454	3669	3860	4035	4307	4627	5046	5299
30	647	1352	1813	2173	2462	2739	3016	3246	3455	3670	3861	4036	4308	4628	5047	5300
31	648	1353	1814	2174	2463	2740	3017	3247	3456	3671	3862	4037	4309	4629	5048	5301
32	649	1354	1815	2175	2464	2741	3018	3248	3457	3672	3863	4038	4310	4630	5049	5302
33	650	1355	1816	2176	2465	2742	3019	3249	3458	3673	3864	4039	4311	4631	5050	5303
34	651	1356	1817	2177	2466	2743	3020	3250	3459	3674	3865	4040	4312	4632	5051	5304
35	652	1357	1818	2178	2467	2744	3021	3251	3460	3675	3866	4041	4313	4633	5052	5305
36	653	1358	1819	2179	2468	2745	3022	3252	3461	3676	3867	4042	4314	4634	5053	5306
37	654	1359	1820	2180	2469	2746	3023	3253	3462	3677	3868	4043	4315	4635	5054	5307
38	655	1360	1821	2181	2470	2747	3024	3254	3463	3678	3869	4044	4316	4636	5055	5308
39	656	1361	1822	2182	2471	2748	3025	3255	3464	3679	3870	4045	4317	4637	5056	5309
40	657	1362	1823	2183	2472	2749	3026	3256	3465	3680	3871	4046	4318	4638	5057	5310
41	658	1363	1824	2184	2473	2750	3027	3257	3466	3681	3872	4047	4319	4639	5058	5311
42	659	1364	1825	2185	2474	2751	3028	3258	3467	3682	3873	4048	4320	4640	5059	5312
43	660	1365	1826	2186	2475	2752	3029	3259	3468	3683	3874	4049	4321	4641	5060	5313
44	661	1366	1827	2187	2476	2753	3030	3260	3469	3684	3875	4050	4322	4642	5061	5314
45	662	1367	1828	2188	2477	2754	3031	3261	3470	3685	3876	4051	4323	4643	5062	5315
46	663	1368	1829	2189	2478	2755	3032	3262	3471	3686	3877	4052	4324	4644	5063	5316
47	664	1369	1830	2190	2479	2756	3033	3263	3472	3687	3878	4053	4325	4645	5064	5317
48	665	1370	1831	2191	2480	2757	3034	3264	3473	3688	3879	4054	4326	4646	5065	5318
49	666	1371	1832	2192	2481	2758	3035	3265	3474	3689	3880	4055	4327	4647	5066	5319
50	667	1372	1833	2193	2482	2759	3036	3266	3475	3690	3881	4056	4328	4648	5067	5320
51	668	1373	1834	2194	2483	2760	3037	3267	3476	3691	3882	4057	4329	4649	5068	5321
52	669	1374	1835	2195	2484	2761	3038	3268	3477	3692	3883	4058	4330	4650	5069	5322
53	670	1375	1836	2196	2485	2762	3039	3269	3478	3693	3884	4059	4331	4651	5070	5323
54	671	1376	1837	2197	2486	2763	3040	3270	3479	3694	3885	4060	4332	4652	5071	5324
55	672	1377	1838	2198	2487	2764	3041	3271	3480	3695	3886	4061	4333	4653	5072	5325
56	673	1378	1839	2199	2488	2765	3042	3272	3481	3696	3887	4062	4334	4654	5073	5326
57	674	1379	1840	2200	2489	2766	3043	3273	3482	3697	3888	4063	4335	4655	5074	5327
58	675	1380	1841	2201	2490	2767	3044	3274	3483	3698	3889	4064	4336	4656	5075	5328
59	676	1381	1842	2202	2491	2768	3045	3275	3484	3699	3890	4065	4337	4657	5076	5329
60	677	1382	1843	2203	2492	2769	3046	3276	3485	3700	3891	4066	4338	4658	5077	5330
61	678	1383	1844	2204	2493	2770	3047	3277	3486	3701	3892	4067	4339	4659	5078	5331
62	679	1384	1845	2205	2494	2771	3048	3278	3487	3702	3893	4068	4340	4660	5079	5332
63	680	1385	1846	2206	2495	2772	3049	3279	3488	3703	3894	4069	4341	4661	5080	5333
64	681	1386	1847	2207	2496	2773	3050	3280	3489	3704	3895	4070	4342	4662	5081	5334
65	682	1387	1848	2208	2497	2774	3051	3281	3490	3705	3896	4071	4343	4663	5082	5335
66	683	1388	1849	2209	2498	2775	3052	3282	3491	3706	3897	4072	4344	4664	5083	5336
67	684	1389	1850	2210	2499	2776	3053	3283	3492	3707	3898	4073	4345	4665	5084	5337
68	685	1390	1851	2211	2500	2777	3054	3284	3493	3708	3899	4074	4346	4666	5085	5338
69	686	1391	1852	2212	2501	2778	3055	3285	3494	3709	3900	4075	4347	4667	5086	5339
70	687	1392	1853	2213	2502	2779	3056	3286	3495	3710	3901	4076	4348	4668	5087	5340
71	688	1393	1854	2214	2503	2780	3057	3287	3496	3711	3902	4077	4349	4669	5088	5341
72	689	1394	1855	2215	2504	2781	3058	3288	3497	3712	3903	4078	4350	4670	5089	5342
73	690	1395	1856	2216	2505	2782	3059	3289	3498	3713	3904	4079	4351	4671	5090	5343
74	691	1396	1857	2217	2506	2783	3060	3290	3499	3714	3905	4080	4352	4672	5091	5344
75	692	1397	1858	2218	2507	2784	3061	3291	3500	3715	3906	4081	4353	4673	5092	5345
76	693	1398	1859	2219	2508	2785	3062	3292	3501	3716	3907	4082	4354	4674	5093	5346
77	694	1399	1860	2220	2509	2786	3063	3293	3502	3717	3908	4083	4355	4675	5094	5347
78	695	1400	1861	2221	2510	2787	3064	3294	3503	3718	3909	4084	4356	4676	5095	5348
79	696	1401	1862	2222	2511	2788	3065	3295	3504	3719	3910	4085	4357	4677	5096	5349
80	697	1402	1863	2223	2512	2789	3066	3296	3505	3720	3911	4086	4358	4678	5097	5350
81	698	1403	186													

UK COMPANY NEWS

Lloyds Bank 60% up on narrower margins

DESPITE NARROWER interest margins Lloyds Bank achieved a 60 per cent jump in taxable profit in the first half of 1979, from £76.6m to £122.7m.

Net provision for bad and doubtful debts was down from £7.2m to £4.9m, and the share of associates was only marginally ahead at £11.5m, against £11.1m.

Compared with the second six months of 1978 the pre-tax surplus was 19 per cent higher. During the half year UK branch lodgements grew in line with inflation but advances rose more steeply. The average base rate for the period was 12.63 per cent against 7.44 per cent in the previous half.

However, the margin between this rate and the average deposit rate fell from 3.41 per cent to 2.7 per cent and the narrower interest margin offset some of the benefits from the higher rates. Operating costs were also higher, the directors say.

Earnings from the group's international business have been maintained despite lower lending margins and some deterioration in overall world conditions with exchange movements affecting the translation of foreign currency working capital into sterling. These exchange movements reduced profits by £8m, compared with £4.7m.

Sir Jeremy Morse, the chairman, says the profit growth enabled Lloyds to maintain its capital base in real terms with the improvement in the UK making up for the flatter trend in international earnings.



Sir Jeremy Morse, chairman of Lloyds Bank.

"Part of this improvement reflects the early stages of a new upturn in inflation, the most favourable phase of the inflationary cycle for bank profits, but the accompanying rise in costs will still be felt as interest rates fall," he adds.

Tax, with the deferred element treated in line with Accounting Standards 15, took £38.55m (£25.26m) leaving earnings per £1 share better at 50.3p (30.6p) basic or 46.6p (28.5p) fully diluted.

The net interim dividend is stepped up to 6.25p (4.84p). Last time a 5.51p final was paid from record profit of £182m.

	1978	1979
Operating profit	111,187	65,273
Share of assoc.	11,576	11,186
Pre-tax profit	122,763	76,459
Tax	52,547	35,238
Net profit	64,216	41,221
Minorities	255	342
Attributable	63,961	40,879
Dividend	10,489	7,711
Retained	73,472	43,168

Nova Knit advances by £190,000

HIGHER performance in the second half, with profits of £283,000, against £132,000, boosted the taxable surplus of Nova (Jersey) Knit to £415,000 for the year ended March 31, 1979, compared with a previous £235,000. Turnover was up from £6.52m to £7.33m.

The directors say that the encouraging trading conditions are continuing.

Earnings per 20p share are nearly doubled at 13.07p (6.82p) and a final payment of 1.5p net makes a 2.5p (1.5p) total for the year.

Tax for the period took £33,000, against £25,000, and there was an extraordinary debit of £37,000 (£104,000).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div. year	Total last year
Atlantic Assets	1	Nov. 19	0.4	1
Carlisle Inv.	1.5	Aug. 3	1.5	4.5
Common Market	32	Aug. 30	34	34
Elbiel	0.92	Oct. 19	0.78	1.13
Glasgow Stockholders Int.	1.25	Aug. 22	1	2.55
Group Lotus	0.7	Sept. 7	0.7	4.37
Initial Services	4.7	Sept. 6	3.3	3.5
Kinta Kellas	3.5	Sept. 6	2.5	4.5
Lloyds Bank	6.25	Aug. 31	4.84	10.15
Lyons Holdings	1.8	Sept. 4	1.38	2.48
Nova (Jersey)	1.147	Sept. 21	0.9	1.5
Provincial Cities	0.42	Sept. 21	0.28	0.76
St. George's Laundry	1.5	Sept. 28	1.5	4.43
Tyreside Inv.	1	—	0.75	3
Wallis Fashion	1	—	0.75	3

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Total of not less than 3.15p forecast. § Net of Jersey tax. ¶ Comprising second interim 0.15p and final 0.99p.

Near £2.3m advance by Initial Services

WITH A slowdown in pre-tax profits growth to £456,000 in the second half, Initial Services, the towel hire and laundries group, finished the year to March 31, 1979, ahead from £9.84m to a record £11.9m. Turnover was £14.6m better at £108m.

For the first six months the surplus was £1.8m higher at £5.27m.

With SSAP 15 on deferred tax adopted, the tax charge for the year came down from £3.96p to £3.14m. This left stated earnings per 25p share 4.3p better at 17.2p on capital enlarged by the rights issue. In line with the September forecast, a net final dividend of 4p steps up the total to 5.6p (£5.67p).

The advance at the attributable level was cut to £1.45m by minority interests this time of £423,000 (nil) and extraordinary losses of £1.6m (£387,000) mainly relating to terminal costs on disposal of two bathroom furniture and fittings manufacturing subsidiaries.

	1978-79	1977-78
Turnover	107,988	93,358
Operating profit	12,043	8,564
Non-trading items	140	69
Loan stock int.	279	279
Pre-tax profit	12,462	8,912
Taxation	3,144	3,981
Extraordinary loss	1,598	387
Net profit	8,720	5,853
Minorities	1,129	1,129
Attributable	7,591	5,236
Final dividend	2,504	1,252
Retained	3,513	3,340

● comment
After a 40 per cent improvement at the interim stage, overall profit

Group Lotus 28% ahead year end—pays 0.7p

Nonetheless, the future looks a little precarious—despite the American Express safety net. Lotus has to bear high costs to meet pollution and safety standards and a recession may cause problems for luxury car makers. Another uncertain factor is the racing performance of Team Lotus, which is central to the image of Group Lotus's sports car marque, and this is not without its own problems. The group's financial base probably helps to support the stated p/e of 6.5.

Group Lotus achieved a peak profit of £1.6m in 1973. Tax for 1978 took £374,428, compared with £281,638, and after an extraordinary debit last year of £108,000, the available balance came through at £241,990, against £185,746.

Mr. Colin Chapman, the chairman, attributes the profit improvement to the group continuing its efficiency programme. He says the directors, who revised the current year "is continuing on a satisfactory basis."

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BIDS AND DEALS
Inchcape extends Toyota activities into EEC

BY LISA WOOD

A MOVE into the Continental market for Japanese cars has been made by Inchcape, the British-based international trading group, at a cost of £14.5m.

It has bought International Motor Company SA of Brussels, the leading importer of Toyota vehicles into Belgium, now Luxembourg, along with six associated trading companies. Inchcape, which already has the franchise for importing Toyota cars into the UK, said it had been looking to extend its trading activities in the EEC for some time and the move gave the group a "strong hold."

It said the asset value of its new acquisitions was £6.2m and I.M.C. with the associated trading companies, made pre-tax profits of £3.5m in 1978, compared with £3.42m in the same period the previous year.

Clark, the UK Toyota distributor, in 1978 and it also imports Toyota cars into Hong Kong and South-East Asia.

It obtained the major dealership in BL cars in the UK in 1973.

Despite voluntary restrictions being imposed by Japanese car makers on imports to the UK last year, a policy which has continued this year, Inchcape said yesterday that "business was very good and most encouraging."

It said the group's new acquisitions were "strongly in line with the group's long-term strategy." It said the asset value of its new acquisitions was £6.2m and I.M.C. with the associated trading companies, made pre-tax profits of £3.5m in 1978, compared with £3.42m in the same period the previous year.

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STEELS MERGER GETS CLEARANCE
Aurora bid now unconditional

GKN has been advised that it can expect to hear from the Office of Fair Trading regarding necessary clearance shortly.

STH.N. COUNTIES HOTELS ACCEPTS NEW TERMS

Southern Counties Hotels has agreed the terms of a sharply higher offer from Forest Dale Hotels, following its rejection of the initial bid earlier this year.

Forest Dale, a private company with hotels in Lyndhurst, Brockenhurst and Arundel, is now offering £1.25 cash for each ordinary share and £1 cash for each preference share, valuing Southern Counties at £688,940, compared with £382,124 in April.

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Wallis Fashion upsurge but warns on current year

ON TURNOVER up from £18.2m to £21.9m and profits of Wallis Fashion Group advanced to £1.51m for the year ended January 31, 1979, compared with a previous £1.03m.

At halfway profits had jumped from £53,000 to £356,000. The directors said in November that the trading situation since half-time had been less favourable, but they still expected a significant increase in profit for the full year.

In the current year so far the group has suffered a much reduced level of activity, they now state.

It is not expected that the year's level of profitability will be maintained.

After tax of £164,000 (£140,000) earnings are shown as 12.9p (7.5p) per 10p share and the dividend is effectively raised to 3p (1p) net with a final of 1p.

The group is continuing its policy of expanding through the acquisition of additional outlets. During the year under review 10 shops, and shops-within-shops, were opened of which three were in Europe. And during the current year a further 11 outlets will be opened, of which five will be in Europe.

Mercantile Hse.

The Mercantile House £2.2m offer for sale of its applications for £225.6m worth of

Rivington Reed, the carpets and textile group, has closed its Barwick carpet manufacturing unit in Bolton with the loss of some 180 jobs.

Mr. Graham Ferguson Lacey, the chairman, announced the closure at yesterday's annual meeting. He explained that Barwick, which was only acquired at the beginning of 1977 for £360,000 (largely in shares), operated on an industrial estate that was picketed during the winter of last year's strike.

The whole of the carpet industry was also affected by the "unprecedented" level of U.S. imports, and results from

the division looked disappointing. He went on to warn shareholders that no interim dividend was likely for the current year.

Last year's final dividend was cut leaving the same total. A return to dividends would depend on improvements in the trading picture, Mr. Ferguson Lacey said. He trusted that this would permit the Board to consider the possibility of a final dividend. The closure of Barwick would reduce group earnings by £24m within six months.

He also indicated the possibility that another recent acquisition, William Utley, would be sold "if the opportunity arose," Utley, which makes shirtings and suitings, is only breaking even and is under close scrutiny.

In his chairman's statement in the accounts on June 22 Mr. Lacey had described a "good progress" in restoring "William Utley to profitability."

The rest of the established businesses were exceeding budget at present, the chairman added, except for the Kildara spinning division. This is showing lower than usual profits because of a policy change to reduce its dependence on Barwick and Rivington.

Westminster results is partly about their extensive gut-dealing business, while analysts are uncertain how Midland will consolidate Standard Chartered at the interim stage.

Analysts are expecting a poor showing from Inchcape, which is due to produce preliminary figures next Thursday. Large commodity trading losses by the Dutch subsidiary, Barborn, could help bring pre-tax profits down £40m. Anything less than that Inchcape's decline in profits can also be attributed to Middle East losses of £7m-£8m and currency losses of roughly £2m. The Singapore subsidiary, Inchcape Berhad, experienced a fall in pre-tax profits of £3m in the year to December 1978. The

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Results due next week

National Westminster, Midland and Barclays are all announcing interim figures next week and analysts say dividend policy is likely to have at least as much impact on the share price as the pre-tax profit figure.

The large dividend increase by Lloyds yesterday has set a precedent and, while Midland is likely to adopt a conservative approach, Barclays could hike the interim payment by around 30 per cent. National Westminster may offer around 25 per cent more to shareholders but analysts believe that the banks will want to keep one eye on their current wage negotiations when it comes to fixing their dividends.

Pre-tax profit estimates for all three banks vary widely. Analysts see Barclays

announcing between £235m and £255m, compared with £154.2m last time, while National Westminster should declare between £200m and £235m, against £108.6m, a range of £130m to £145m is forecast for Midland, which made £97.5m in the first six months of last year.

The strong improvement in profits is based on higher base rates and an expansion in sterling advances, coupled with a fairly modest increase in operating costs. Bad debt provisions are an uncertain factor in all three cases, however, while the firmness of sterling and low Euro-currency margins will probably cut back earnings from international operations.

The uncertainty surrounding the Barclays and National

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Announcement date	Dividend (p)		
	Last year	Final	This year
Monday	2.75	3.3925	3.0
Tuesday	5.12	5.12	2.5
Thursday	—	1.3517	—
Friday	—	—	—
Thursday	3.5	6.8	3.5
Friday	0.973	2.32	1.08
Friday	0.6667	0.7324	0.7
Thursday	1.918	3.712	2.0
Friday	1.526	1.675	2.28
Thursday	1.2776	2.9123	1.6
Thursday	1.3818	1.4054	2.88
Thursday	—	3.84	2.44
Wednesday	6.0	6.0	6.0
Wednesday	1.29	—	1.44
Thursday	4.4	5.147	4.8
Thursday	2.0	3.1	2.0
Thursday	1.5	3.88	1.8
Thursday	0.9212	2.3035	1.6
Thursday	0.5	0.5	0.5
Tuesday	—	—	0.75
Tuesday	—	1.828	0.67
Tuesday	1.712	3.428	1.6
Thursday	2.85	2.475	1.675
Wednesday	1.08	2.0	1.18
Monday	—	—	1.35
Tuesday	1.41257	2.334	1.35
Monday	—	0.1	—
Wednesday	—	1.64	—

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

United sold its 10 per cent stake in the Milk Marketing Board for £50m, plus an estimated £20m for stock. The deal will reduce United's milk processing business by three-quarters and signals a large-scale retreat from the troubled butter, cheese and milk powder sectors.

Philips launched a £24.5m offer for the 30 per cent of Pye it does not already own. The offer, of 180p per share, has been recommended for acceptance by the non-Philips directors of Pye. The move by Philips comes 12 years after the group acquired Pye in a takeover battle with Thomson which it bought 100 per cent of the shares in Pye of Cambridge but later shareholdings as a result of buy shares in a new holding company at 70p each.

A private Canadian company owned by the Stuenkel family of Toronto made an agreed £50 cash per share bid for the Aberdeen-based distribution and North Sea oil service group Emsco. The bid is being made through the Mackenzie Group (UK) which was set up this year and has a number of property and investment interests, chiefly in North-east Scotland.

Anglo-Saxon completed the sale of its West German subsidiaries, including its subsidiaries in Frankfurt, Hamburg and Cologne, to a subsidiary of the Dutch Stichting Pensioenfonds, and the total consideration of about £25.9m will go towards repaying bank borrowings in Germany of £25.5m.

After failing to receive the required acceptance, Armstrong Equipment's bid for Jeebs and Cantell was lapsed.

Company bid for	Value of bid per share**	Price before bid	Value of bid per share**	Bidder	Final Acct/Date
Prices in pence unless otherwise indicated.					
Gough Bros.	130*	129	71	Scottish & Newcastle	9/8
Hardy & Co. (Furnishers)	136½	136	114	Harris	21/7
Hardy & Co. (Furnishers) 'A'	136½	126	83	Queensway	21/7
Hawthorn Baker	155*	175	135	12	—
James (J.)	84½	79½	35	0.88	—
Lebus (Harris)	40	37	35	0.88	—
Pye Holdings	180*	165	116	34.5	—
Sekong Rubber	£16	£15½	£10	2.40	—
Sheepbridge Eng.	173	162	66	40.0	—
Silhouette	90½	86	56½	1.99	—
Silhouette 'A'	94½	88	45½	1.11	—
Wellman Eng.	65*	67½	68	2.00	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 20/7/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ‖ Unconditional.

Offers for sale, placings and introductions

Essex Water Co.: Offer for sale by tender of £5m 3 per cent Redeemable Preference stock 1984 at par.

Scrip Issues

Alliant Props: One for one.
Astra Indl: Two for three.
Dowdy Group: One for one.
Magnat and Southern: One for two.
MFI: One for one.
Ratners Jewellers: One for two.
Startrite Engineering: Four £1 11 per cent Cumulative Preference shares for 15 Ordinary, then one for one in Ordinary.
Wintrust: One new Preference for eight Ordinary.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Abwood	Mar.	75	(43)	2.1
Allied Colloids	Mar.	5,980	(4,620)	8.8
Alliant Props.	Mar.	4,240	(3,470)	11.7
Amalgamated Est.	Mar.	116	(18)	0.2
Assoc. Leasing	Mar.	4,996	(3,494)	12.1
Astra Indl.	Apr.	1,040	(1,020)	5.5
Audiotronics	Mar.	733L	(1,279)	L
Birmingham Mint	Mar.	681	(388)	28.7
Black Arrow	Mar.	483	(388)	5.9
Braham Miller	Mar.	432	(1,090)	3.0
Brotherhood (F.)	Mar.	13	(764)	2.1
Brown (N.) Invs.	Mar.	1,010	(808)	6.5
Crown House	Mar.	4,053	(3,228)	13.2
Denbyware	Mar.	812	(765)	7.7
Distillers	Mar.	180,100	(162,500)	34.0
Dowdy Group	Mar.	31,176	(25,038)	35.1
Fedast	Mar.	563L	(3,840)	—
Gt. Univ. Stores	Mar.	185,365	(126,102)	36.9
Hampton Trust	Mar.	62	(11)	L
Hastings Est.	Mar.	4,120	(2,880)	12.6
HAT Group	Feb.	2,620	(2,092)	6.2
Heron Motor Grp.	Mar.	3,530	(3,070)	8.2
Hogg Robinson	Mar.	9,210	(9,020)	13.0
Hollis Bros.	Mar.	1,380	(1,540)	10.2
Imaging Mrs.	Mar.	3,360	(4,680)	6.8
Jones Stroud	Mar.	2,800	(2,410)	21.7
LRC	Mar.	5,880	(8,670)	4.0
Magnet & Sikes	Mar.	19,680	(14,250)	23.5
Meyer (M. L.)	Mar.	15,454	(12,952)	23.3
MFI	May	13,980	(5,340)	18.1
Moorgate Mercile	Mar.	304	(205)	1.8
Negretti & Zambis	Mar.	107	(283)	3.0
Priest (Ben.)	Mar.	2,820	(1,300)	17.7
Ratners (Jewellers)	Apr.	2,560	(1,590)	12.2
Scottish Homes	Mar.	482	(351)	5.7
Stroud Riley	Mar.	406	(450)	6.3
Sytone	Mar.	1,430	(1,048)	33.8

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Temkias (F. H.)	Apr.	1,650	(1,770)	4.4
Trafford Carpets	Mar.	27	(32)	1.2
Unigate	Mar.	36,100	(25,400)	17.3
Unilock	Mar.	1,370	(808)	14.2
Vintan Group	Mar.	1,610	(1,150)	13.2
Vita-Tex...	Apr.	803	(508)	13.8
Western Board	Mar.	1,199	(918)	10.7
Wintrust	Mar.	1,240	(573)	10.6

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Berisfords	May	520	(470)
Birmid Qualeast	Apr.	1,940	(3,800)
Brentnall Beard	Mar.	607L	(233)
Deacons Hldgs.	Mar.	124	(118)
Dewhurst & Plar.	Apr.	173	(127)
Gestner	May	11,400	(13,900)
Glass Glover	Mar.	174	(132)
Jameson's Chees.	June	210	(159)
Low (Robt. H.)	Apr.	231	(216)
Megritt Hldgs.	Apr.	152	(181)
Rank Orgn.	May	64,410	(87,300)
Warra	Mar.	222	(178)
Yale Catto	Apr.	1,309	(686)

(Figures in parentheses are for corresponding period)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. L Loss

Rights Issues

Abwood Machine Tools: One for one scrip in 5p shares, then consolidation into 10p shares, then one for one rights issue at 14p raising £298,000.
† Approximate figure before expenses.

GOVERNMENT TO SELL PART OF BRITISH AIRWAYS

Details of the hive-off plan

Mr. John Nott, Trade Secretary, in his statement on British Airways, told the Commons yesterday that the airline "has embarked on a major programme of restructuring and expansion and I believe that it has excellent growth prospects. As a principal national carrier, it is operating in an increasingly competitive market and, while the world energy situation creates considerable uncertainties, I am nonetheless confident that the airline will face these challenges successfully."

Clearly there must be some flexibility about the rate of expansion in the face of these uncertainties. Nevertheless, the present appraisal is that British Airways will require a substantial increase in capital investment from both internal and external sources over the next few years in order to meet its objectives. For this reason I have been looking at its capital structure and

financial requirements, and I should like to let the House have my views and proposals.

"First, the Government is concerned to give British Airways the most effective form of organisation for carrying out its programme in response to the changing demands of the market rather than on the basis of Government targets and support."

"Second, I propose therefore that the framework of the Companies Acts should be used to provide British Airways with a new capital structure and that a substantial minority shareholding in the enterprise should be offered for sale to the public."

"Third, the Government will give up control, for example, over British Airways' investment programme and it will in future satisfy its financial requirements from capital markets both at home and overseas."

"Fourth, my proposal does not involve a separate disposal of any part of British Airways."

"Fifth, special arrangements will be made to enable employees of British Airways to take up shares in the enterprise should they wish to participate in its future and share in its growth."

"Sixth, I envisage the fullest possible process of consultation with the airline's management and employees."

"Seventh, I will put forward proposals later in the year for the legislation which will be required. The timing of any issue of shares will depend on market and other circumstances."

"Eighth, I will also set out the Government's thinking on the licensing provisions administered by the Civil Aviation Authority. I can say now, however, that there will be no arbitrary reallocation of routes."

MICHAEL DONNE ANALYSES THE IMPLICATIONS

Airline needs to be free of Treasury shackles

Nott's announcement brings angry attack by Opposition MPs

THE GOVERNMENT'S proposal to sell off a substantial minority of the capital of British Airways, and virtually to free the airline from the shackles of Treasury financial control, is likely to be welcomed by the management of the airline, even if it is less palatable for the trade unions and other devotees of State ownership.

Currently, the airline's public dividend fund is £310m. But this is in the process of being reduced by £160m to £150m, following the Government's decision to write off the Combridge debt earlier this year.

"It has been growing increasingly clear over recent months that British Airways needs much greater freedom to move swiftly in the world commercial market place. World civil air transport is rapidly changing, deregulation is the order of the day in the U.S. on both domestic and international routes."



Mr. John Nott, Trade Secretary, with Mr. Ross Stainton, chairman of British Airways.

British Airways needs, particularly, freedom to be able to buy its new jet aircraft fleet purely on competitive commercial considerations. It has been said that the Government need to consult Government and trades unions over buying British jets because it was a Government-owned airline and was therefore required to support the UK aerospace industry.

Just how difficult this situation has been can be gauged by the outcry the airline faced when it wanted to buy the new Boeing 747 jet aircraft. There were persistent demands in this country that it should buy the European A-310 Airbus, in which the UK aerospace industry participates.

With a £2.4m re-equipment programme planned for the 1980s, the airline needs to be able to take decisions solely on the commercial merits of what

is available—and not what the trades unions, the Government of the day, or the UK aerospace industry, think it ought to buy. Too often in the past, as successive chairmen of the airline and its predecessors have stressed, it has been obliged to tailor its procurement and other policies to meet the kind of domestic political and industrial constraint.

There has been a vigorous display of independence by the management over the past year or so, spearheaded by Sir Frank McEvedy (who retired as chairman recently). As a result, the airline has now settled a large part of its fleet pattern for the future. It has ordered 19 of the new narrow-bodied Boeing 737s with Rolls-Royce RB-211-535 engines, with an

British airways

option on another 18. It is also buying 28 Boeing 737 short range jets. The order is collectively worth, including spares, the best part of £1bn.

The other two basic aircraft in its fleet for the future include the Boeing 747 Jumbo jet, of which it has 32 in service or on order; and the Lockheed TriStar, of which it has 15 in service or on order. It can be expected to buy many more of both types through the 1980s, perhaps up to as many as 40 eventually each.

Concorde, of which it currently has five, with a sixth, and possibly also a seventh, to come, is a class by itself. British Airways originally bought the aircraft because of Government pressure. It is a fair assumption that had the new commercial freedom now proposed prevailed five to ten years ago, Concorde might never have been seen in British Airways colours on the world's air routes.

As a result of the new commercial freedom offered by the Government's proposals, the airline henceforth will be able to buy whatever it chooses, wherever it chooses, if nothing suitable is available in the UK. It will be able to borrow the cash to do so wherever it can get the best terms—even overseas if necessary (where it now sometimes does go for cash).

It will need a new type of "feeder-liner" in the 1980s, to replace ageing Viscounts and other aircraft. While the nationalised British Aerospace is building the BAe 146, the new decision means that the airline will only buy it if it meets its own commercial criteria.

The airline's financial results for the year to last March 31 are expected to be announced next week, and are likely to show a profit once again. Last year, the net profit after interest, currency losses and tax was £33m on a turnover of £1,350m. With the freedom offered by the current proposals, the airline in future will have every incentive to improve its financial performance.

British airways

Mr. Donald Stewart, leader of the Scottish Nationalist MP, attacked it as "the most outrageous piece of looting the Government has gone in for so far."

Wholehearted support for the announcement came from Tory backbenchers, who maintained it would result in a more efficient and profitable operation. Mr. Ivan Lawrence (C. Burton) congratulated Mr. Nott on a "courageous, exciting, if rather unexpected, decision."

Confidently defending the proposals, Mr. Nott said: "At present, British Airways is effectively controlled by one or two Ministers, and by the odd Treasury official. That is what public ownership from above means."

"One of the purposes of our proposal is that the management should be more independent of the Government."

Stressing that some shares would be offered to British Airways' 57,000 employees, he declared: "I want to give more widespread real public ownership in our national carrier."

British airways

It was hoped pension funds would take up many of the shares, giving millions of pensioners an opportunity to share in the future of British Airways.

There were Opposition suggestions that the Government might be planning a further sale of British Airways shares later to give the private sector a majority holding in the airline.

Mr. Nott retorted: "My present proposals are absolutely specific—we are concerned here with selling off a substantial minority holding."

Mr. Enoch Powell (Ulster Unionist, Down S.) asked whether a majority of the directors on the new board would be under instructions from the Government or would be allowed to act as private individuals. If they were instructed by the Government, how could people be expected to invest in an enterprise over which they had no control?

British airways

Mr. Nott said the number of directors should be decided at the time of the share issue.

"The Government will be a majority shareholder on the airline, and therefore will be entitled, as any other shareholder is, to have its representatives on the Board. We can consider all these matters over the next year or so."

Mr. Stanley Clinton Davis, a Labour trade spokesman, protested that, during the General Election, Labour's allegation that the Tories intended to sell off part of British Airways had been condemned as "a dirty lie."

"It is obvious that they won't be diverted from these half-baked proposals. The offer of consultation is a complete sham."

He alleged that the amount of shares offered to the employees would be minuscule. It was just a ploy to hide the Conservatives' intention of plundering a successful state enterprise to pay for the tax concession to the wealthy.

Seat belt Bill given second reading

By John Hunt

A PRIVATE member's Bill to make wearing seatbelts in motor vehicles compulsory was given a Second Reading in the Commons yesterday by a majority of 75 (134-59).

The Bill, proposed by Mr. Neil Carmichael, Labour MP for Kelvingrove, has a fair chance of becoming law. But it still has many hurdles to pass.

It faces a long committee stage in the Commons and then has to go to the House of Lords. In the last Parliament a similar Bill proposed by the Government received a Second Reading but eventually failed through lack of time.

Mr. Norman Fowler, Transport Minister, voted against the Bill, although he emphasised that he was totally convinced of the need for seatbelts. The Government was neutral on the issue and would not stand in the way of the Bill, he said.

Commenting upon the successful second reading of the Bill an AA official said: "As one of the leading supporters of seat belts' compulsion for many years, we welcome the progress of the Bill, which will undoubtedly contribute so much to the saving of life and limb."

"We cannot conceive of any other measure which would have such a dramatic effect on cutting road casualties."

Economic forum may be scrapped

By Richard Evans, Lobby Editor

LABOUR MPs are now convinced that the Government has abandoned the plan to set up an economic forum containing members from the CBI, TUC and other bodies.

Mr. John Grant, an Opposition Employment spokesman, claimed last night that a "firm decision" had been taken this week by Ministers to kill off the forum for the foreseeable future.

He has tabled a Commons question to Sir Geoffrey Howe, Chancellor of the Exchequer, for Tuesday asking him to disclose the Government's decision before the summer recess at the end of the week.

But Ministers were maintaining that the forum was still being considered.

The view is that it is unlikely to become operative until the end of the year at the earliest and then only for the most general discussions on the economy.

Tories pay tribute to John Davies

A MEMORIAL service for Mr. John Davies, former Cabinet Minister, was held yesterday at St. Margaret's Church next to the House of Commons.

Among the mourners was former Conservative leader, Mr. Edward Heath.

Mr. Davies served in Mr. Heath's Government as Minister of Technology, Trade and Industry Secretary and Chancellor of the Duchy of Lancaster. He was appointed Shadow Foreign Secretary by Mrs. Thatcher in Opposition, but last November he resigned as MP for Knutsford because of ill health. He was granted a peerage but died before he could receive it.

Among the congregation were Mr. James Prior, Employment Secretary, Mr. Francis Pym, Defence Secretary, Mr. William Whitlaw, Home Secretary, Sir Geoffrey Howe, Chancellor.

Owen urges early go-ahead for sixth North Sea round

BY RAY DAFTER, ENERGY EDITOR

DR. DAVID OWEN, Opposition Energy spokesman, yesterday challenged the Government to speed North Sea exploration work. He said the Energy Secretary should immediately confirm the first batch of drilling concessions conditionally agreed under the sixth round licensing terms.

Delays in the licence confirmation was a matter of "grave concern" as every day that was lost to offshore operators meant a day of good exploration weather was forgone.

Several oil companies have already warned the Energy Department that delays in confirming the licences—partly caused by the Conservatives' review of British National Oil Corporation—might prevent them from beginning exploration work this summer.

At least six offshore groups have told Ministers and officials that they would begin exploration work as soon as the licence conditions were approved. They have also warned that

at least three rigs might be lost to UK offshore drilling activity if the delay is prolonged.

In a Commons reply to Dr. Owen, Mr. David Howell, Energy Secretary, said that he would make statements on the sixth round licence awards and the review of BNOC "as soon as possible."

It was the Government's wish to see the pace of exploration increased substantially above the level to which, under the previous policies, it had been allowed to fall.

Dr. Owen said that while he wanted the licence confirmation to be given without delay, he hoped that the Government would not rush into a decision about BNOC's future, particularly if it was a precipitous decision "based on dogma" which the country would later regret.

In particular, he was anxious that the Government should not be forced into a decision before or during Parliament's summer recess.

UNITED INTERNATIONAL BOND FUND NOTICE TO HOLDERS OF BEARER SHARES

An Interim Distribution from the Fund for the Accounting Period ending 28th December, 1978, will be paid on Friday, 27th July, 1979, to persons presenting coupon number 3 detached from Bearer Certificates. The amount payable is U.S.\$ 4.08 per share. Coupons may be presented at the office of the Trustee, The Bank of Nova Scotia Trust Company Channel Islands Limited, Queen's House, 13-15 Don Road, St. Helier, Jersey, Channel Islands, or at any of the Paying Agents listed below:

United International Bank Limited, 30 Finsbury Square, London EC2A 1SL	The Bank of Nova Scotia, P.O. Box 5360, 5th Floor, Bank Sadat Iran Building, Government Road, Manama, Bahrain.
Algemene Bank Nederland, (Genève) S.A., P.O. Box 538, 12 Quai Général-Guisan, CH-1211 Genève 3, Switzerland.	The Bank of Nova Scotia, P.O. Box 3659, 1st Floor, Al-Futtaim Tower Building, Deira, Dubai, United Arab Emirates.
Algemene Bank Nederland in der Schweiz A.G., P.O. Box 944, 24, Schiffstrasse, 8022 Zurich, Switzerland.	The Bank of Nova Scotia, Channel Islands Limited, Queen's House, 13-15 Don Road, St. Helier, Jersey, Channel Islands.
Algemene Bank Nederland N.V., P.O. Box 2720, Fara Bin Hamoudah Building, Sheikh Hamdan Street, Abu Dhabi, United Arab Emirates.	

NOTICE TO HOLDERS

The unaudited accounts of the Fund for the six-month period ended on the Interim Accounting Date 28th June, 1979, are open to inspection during usual business hours by any Holder at the Office of the Trustee, The Bank of Nova Scotia Trust Company Channel Islands Limited, Queen's House, 13-15 Don Road, St. Helier, Jersey, Channel Islands.

Copies will automatically be sent to Holders of Registered Shares and may be obtained by the Holders of Bearer Shares upon production of their Certificates at the Offices of the Trustee, Manager or any Paying Agent.

Signed: United International Management (G.I.) Limited, Managers, 14 Mulcaster Street, St. Helier, Jersey, Channel Islands.

A Personal Investment Management Service

We specialise in providing this service for investors who would like their investments to receive active full time professional attention. If you have shares, fixed interest stocks, unit trusts, etc. or wish to invest in the stock market, please telephone 01-457-4535 or write to:

PORTFOLIO ADVISERS LTD.
55-59 Wigmore Street, London W1H 9DG.

As a client of Portfolio Advisers Limited, you may, if you wish, nominate your own Broker for any Stock Exchange transactions. Member of The Association of Independent Investment Managers.

INTEREST
14 1/2%
PER ANNUM

Full particulars from
FRANK EVELL & CO. LTD.
15, Abchurch Lane, London EC4N 3DF
Telephone: 0204-714231

J. BILLAM LIMITED

(Principal activities include the manufacture of castings and precision sheet metal engineering for aircraft and motor industries.)

Extracts from the Statement of the Chairman Mr. Gordon Billam:

Pre-tax profit of the group for the year 1978 is £288,574. The comparative profit for 1977 was £191,651.

A final dividend of 2.592 pence per share is recommended (1977 2.562), which together with the related tax credit amounts to 3.703 pence per share (1977 3.57) making 5.014 pence per share (1977 4.782).

As forecast at the end of the first half-year's trading, group results show a considerable improvement over the previous year. Pre-tax profit increased by 50.6% to achieve record group results. I am confident that the profit of the group will continue to improve.

M. Harrison to be chairman of RHP

Mr. Malcolm Harrison, deputy chairman of RANSOME HOFFMANN POLLARD, is to become chairman on October 1 at the start of the company's next financial year. Following the appointment of Mr. Peter Salmons as group chief executive and the restructuring of RHP management, the Board has agreed to release Mr. John Eccles from the position of chairman to enable him to devote more time to his other commitments. Mr. Eccles will remain on the Board as a non-executive director.

Mr. J. M. Eccles has been appointed chief property surveyor of PHOENIX ASSURANCE COMPANY.

Mr. L. G. Stopford Sackville has been appointed as a director of SELECTION TRUST. Mr. B. W. Paine has been appointed director of that company and ceases to be alternate director to Mr. J. N. Clarke.

Mr. Stopford Sackville is to resign from CHARTER CONSOLIDATED on August 10, the date of the company's annual meeting. At the same time he will relinquish his directorships of Anglo American Corporation of South Africa and of Minerals and Resources Corporation but will continue as chairman of Cape Industries and of Beryl Tin and Wolfram.

Mr. Robert D. Maxted has joined HUNTING GATE DEVELOPMENTS as development surveyor. He was previously with Lains Properties and Grimley and Son.

Mr. F. A. Stephen has been made general manager of the BRITISH NEEDLE COMPANY, a subsidiary of the Aero Needles Group. He succeeds Mr. Mike Mackenzie, who has left the company to take up an appointment in general engineering.

The Secretary for Energy has appointed Dr. Thomas Harman and Dr. Lewis Roberts as full-time members of the UNITED KINGDOM ATOMIC ENERGY AUTHORITY for five years from August 1. Dr. Harman will continue to be managing director of the Authority's Northern Division, while Dr. Roberts will remain as director of the Atomic Energy Research Establishment, Harwell.

Mr. K. R. Brown has been appointed a director of MARSTON THOMPSON AND EVERSHED.

Mr. D. T. Farber has been appointed a director of KENNING MOTOR GROUP. He has been with the group since 1980 and will continue as chief accountant.

Mr. Francis Mayer has been appointed a director of ROYAL WORCESTER.

Mr. D. G. Gill, chairman and managing director of Steeltek Minerals and Mr. R. A. M. Edwards, chairman and managing director of Steeltek Construction Materials, have been appointed directors of the STEELTEK Company.

Mr. Gordon M. Swales has been appointed chairman of the MID-SUSSEX WATER COMPANY in place of Mr. J. Michael Whittington, who has retired from that post but remains on the board. Mr. Swales is also a director of the East Surrey Water.

Mr. R. Baldwin has been appointed deputy managing engineer of LLOYD'S REGISTER INDUSTRIAL SERVICES DEPARTMENT, who is replacing Mr. N. McLeod, who is retiring. Mr. Baldwin will be in charge of technical services, development and design appraisal, in addition to his responsibilities for business group. Mr. E. F. Reid has become assistant managing engineer of Industrial Services to control contract engineering, amalgamating the present power and general oil and general groups.

Mr. W. Wainwright has been appointed as director of IMI BAILEY VALVES.

Mr. Malcolm Horton and Mr. Brian Johnson have been appointed joint managing directors of WESTERHAM PRESS. Mr. Horton was previously managing director of Williams Lea and Mr. Johnson previously held the position of European sales director at Jarrod and Sons. Mr. Rowley Atterbury remains a director of Westernham Press.

Mr. John S. Long, managing director of the Scotsman Publications, has been elected to the board of THOMSON REGIONAL NEWSPAPERS.

Mr. Tim Rathbone, Conservative MP for Lewes, has become chairman of CHARLES BARKER COUTLARD, the executive search and management selection company in the Charles Barker Group. For the last three years, continues as a non-executive director providing a link with Charles Barker Recruitment of which he is chief executive. Mr. Michael Horstead, finance director of the Charles Barker Group, also joins the Board of Charles Barker-Coutlard. Mr. Leslie Coutlard remains chief executive. Mr. Rathbone is a director of the Charles Barker Group and deputy chairman of group member ASH Limited.

Mr. George F. Brantingham has been appointed managing director of TARMAC READY-CRETE (SOUTHERN), now operating as a separate subsidiary of Tarmac Roadstone (Southern), of which he remains director responsible for the West Midlands Region.

Mr. John G. Campbell has been appointed chairman and chief executive of CINCINNATI MILACRON in the UK in addition to his responsibilities as

BRITISH FUNDS (880)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

CORP. STOCKS FOREIGN

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

BANKS (120)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

BREWERIES (128)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

CORPORATIONS (28)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

FREE OF STAMP DUTY

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

SHORT-DATED BONDS

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

PUBLIC BONDS (10)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

COMMONWEALTH GOVTS. (5)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

COMMONWEALTH CORPN.

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

FOREIGN STOCKS (2)

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

STOCK EXCHANGE

Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00

Stock Exchange dealings

Thursday, July 19	15,859
Wednesday, July 18	17,415
Tuesday, July 17	17,012
Monday, July 16	14,997
Friday, July 13	16,770
Thursday, July 12	15,075

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be effected in the following day's Official List. The figures shown above are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or a purchase, and only one security at any one price is recorded.

Bargains in Special Provisions. A Bargain done with or between non-members of the Stock Exchange and recorded in a record of a member of the Stock Exchange is not a bargain done for or by a member of the Stock Exchange, and is not a bargain done for or by a member of the Stock Exchange.

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Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-88 65.00
Acc. Dividend 1987-88 65.00	Acc. Dividend 1987-8

Table with multiple columns listing various financial instruments, companies, and their associated values or prices. Includes sections for 'LOCAL AUTHORITY BOND TABLE' and 'BUILDING SOCIETY RATES'.

Table titled 'LOCAL AUTHORITY BOND TABLE' showing interest rates for various local authorities like Barnet, Barnet & City, and Barnet & City.

Table titled 'BUILDING SOCIETY RATES' showing deposit rates for various building societies like Abbey National, Alliance, and Anglo-Bohemian.

Table listing various companies and their stock prices, including sections for 'PROPERTY (106)', 'UNIT TRUSTS (4)', and 'MISCELLANEOUS (35)'.

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Notes and footnotes at the bottom of the page, including 'Rates normally variable in line with changes in ordinary share rates' and 'All these rates are after basic rate tax liability has been settled on behalf of the investor'.

[illegible]

FINANCE LAND Continued

[illegible][illegible]

MAN OF THE WEEK

Georgia on his mind

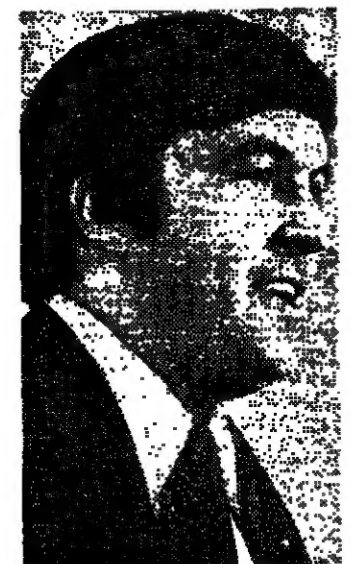
BY JUREK MARTIN

JIMMY CARTER has always said that Hamilton Jordan, more than anybody else, was the man who made him President in the first place. This week in Washington, as the President donned a new, tough face and as his Cabinet was radically altered, it became clearer than ever that the man newly enshrined as formal Chief of the White House Staff will determine whether or not the President makes it to a second term.

There has always been a Jekyll and Hyde quality about the 34-year-old Georgian, who prefers that his name be pronounced, in the Southern vernacular, Jerdun.

To many in the nation's capital, it was the dark, ruthless side which was dominant this week as he swept aside, some say humiliated, such Administration heavyweights as Michael Blumenthal and Joe Califano because their loyalty to the President was suspect.

To his critics this was further evidence of the inherent con-



Hamilton Jordan
Stores into space a lot and hums

tempt he is thought to hold for official Washington. That quintessential establishment figure, Speaker of the House "Tip" O'Neill, has sought to fight back by calling him "Hannibal Jerkin". His sometimes boorish social behaviour—exemplified by the Affair of the Egyptian Ambassador's Wife's Cleavage and the Amaretto and Cream Incident—has introduced further testament to his supposed provincialism and even sexism.

But there is much more to the man whose educational qualifications are limited to a Bachelor's degree obtained after, as he says, "Five and a half fun-filled years." Hamilton Jordan is the pure, instinctive political animal, aware of his lack of background on substantive issues, but a formidable practitioner of the art of politics.

It was his single-minded examination of the body politic that enabled him to draft in 1972 the now historic memorandum which laid out, with staggering prescience, how an obscure Southern Governor could become President of the United States. In the White House, where, until this week, he had no formal brief but the licence to roam freely he showed the ability to orchestrate complex political conditions which made possible the passage of such controversial items as the Panama Canal treaties and the Middle East arms sale package.

Oddly enough, he is, it is generally agreed, not a great shakes as an organiser. He tends to work by mirrors, not logic: he is bad at returning phone calls (a sin in Washington) and jolts things down on the back of envelopes.

But this is a style which, though it contrasts with the meticulous work habits of the President suits Jimmy Carter very well. There is symbolic relationship, possessing it seems, the closeness of father and son, Jordan has unlimited access to the Oval Office and, in his new role, will be able to control who else gets to see Mr. Carter as well.

This is a fact of life which establishment Washington has never accepted with ease. Of all the Georgian Mafia around the President it is Jordan who has inspired the most mistrust. The way in which the Cabinet was rearranged this week, above all the extraordinary evaluation forms which Jordan distributed to departmental heads, have compounded the deepest suspicions.

But Hamilton Jordan, who has now forsaken his jeans and cowboy boots for conservative business suits, is not put out. He has worked all his adult life for Jimmy Carter, in Georgia, as campaign manager and as trusted leader of the kitchen cabinet, and will be calling the shots for the next 16 months at least.

BNOC shares likely to be put on sale

BY RAY DAFTER, ENERGY EDITOR

THE PUBLIC may be invited to invest in the British National Oil Corporation which, in the past three years, has emerged as biggest trader of North Sea crude oil.

British Aerospace is also expected to offer a substantial minority of its shares to the public.

A Cabinet committee which has been reviewing the future role of BNOC is considering ways of injecting private money into the corporation. A Government statement could well be made by Mr. David Howell, Energy Secretary, next week.

It appears that the Cabinet has agreed that the Corporation should be retained, although in a significantly different form than that developed by the Labour Government and, in particular, by former Energy Secretary Mr. Anthony Wedgwood Benn.

Mr. Howell, in unveiling a package of measures aimed at stimulating offshore exploration and development, is expected to announce that a number of BNOC's privileges will be scrapped.

For instance, the Corporation's offshore monitoring role will almost certainly be transferred to the Department of Energy. While Corporation officials would still be expected to provide the Government with advice—much in the same way that private companies advise officials—it would not have access to confidential information. The offshore industry has criticised BNOC's player and umpire role, complaining that the Corporation could use secret information for commercial advantage.

BNOC will also probably be prevented from sitting on oil consortia operating committees, except those in which it has an equity or operating stake. Neither will it be expected to take a majority stake in offshore licences.

It seems that the Corporation will be retained as a sizeable commercial entity for two basic reasons: its experienced exploration and development staff can maintain an extra force to offshore work at a time when the Government is anxious to speed up North Sea activity; and, as a wholly British company, it

can provide the UK with an important measure of oil supply security. At the moment BNOC's turnover is running at about £1bn a year; it is selling between 500,000 and 600,000 barrels a day.

The future role of BNOC has been fiercely debated within Cabinet. It is understood that Mr. Howell has fought strongly for retaining the Corporation as a commercial company and against pressure for dismantling the organisation altogether.

The Cabinet will next week consider whether private money might be injected into the Corporation. There has also been discussion on the possibility of selling off some of BNOC's assets; a possibility that has not been totally discounted.

Other parts of Mr. Howell's package next week will probably include:

- Confirmation of the first batch of sixth round exploration licences, conditionally allocated in March, and the announcement of a seventh round of licences.
- Greater operating freedom for offshore oil groups.

Rio faces loss of uranium contract

By Jurek Martin, U.S. Editor in Washington

RIO ALGOM, the Canadian mining company 51 per cent owned by the UK group Rio Tinto Zinc, may lose a contract worth possibly \$770m (£235m) to supply 17m pounds of uranium oxide.

Rio Algom, which is 51 per cent owned by Rio Tinto Zinc, gained the contract from the U.S. Tennessee Valley Authority electricity utility in 1974. As a result, Rio Algom embarked on a major expansion programme at its Elliot Lake uranium city in Ontario. The mining complex is now virtually complete.

The contract is scheduled to run from this year to 1990. But Rio Algom now claims that TVA is taking action in the U.S. to declare the contract void.

A preliminary injunction has been obtained by Westinghouse Electric Corporation in the U.S. restraining TVA from making the first payment in Canada to Rio Algom under the contract. This payment, of \$5.22m (£1.3m), is for 500,000 lb of uranium oxide recently delivered by Rio Algom to the Canadian Government's Eldorado Nuclear for refining into uranium hexafluoride.

Rio Algom claims the preliminary injunction was obtained by Westinghouse as part of its anti-trust litigation in the U.S. against Rio Algom and other companies.

TVA says it is required by the injunction to pay the \$22.7m into an escrow account under the jurisdiction of a U.S. court, rather than make payment to Rio Algom in Canada as required by the contract.

"But it would now appear that TVA intends unilaterally to repudiate all its obligations thereunder," adds Rio Algom.

Rio Algom, which maintains that it has performed at all times in accordance with the contract, says it has negotiated with TVA twice this year in an attempt to ensure delivery and payment under the contract.

If TVA continues to refuse to accept the terms of the contract, Rio Algom will seek alternative markets "while pursuing all appropriate legal remedies against TVA."

The political tide is carrying British Airways towards a BP-type status as an independent listed company (though still with a majority Government shareholding). The problem is that the economic tide may not be surging in the same direction.

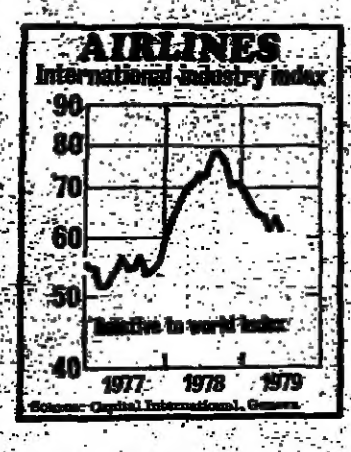
Next Thursday British Airways will announce its results for the year to the end of March. Pre-tax profits are likely to emerge at a record figure of over \$80m. Assets employed could come out at a bit over \$800m, against which debt may be \$300m or a little more. It is a picture which would not look too bad in a prospectus.

The trouble is, the flotation cannot come for at least another year—and the outlook for airlines has become distinctly more clouded. Fuel costs have rocketed in the past six months or so, and the prospects for

THE LEX COLUMN

BA's long, bumpy take-off run

Index fell 0.7 to 471.2



world economic growth have deteriorated. In the U.S. where a number of quoted airline stocks are traded, the sector peaked out last September and has been under pressure ever since.

Like many airlines, BA has a major re-equipment programme on hand. It is projecting to spend something like £2.5bn over the next five years, of which £1.5bn is to be funded out of internally generated cash flow and £1bn is to be found externally. But if conditions deteriorate it could well be that this ambitious programme will have to be rescheduled.

And a major change in the corporation's status and ownership during a crucial phase of the development programme could cause financial headaches. It is one thing to raise debt as a public corporation with the benefit of Treasury guarantees, but could be another to tap the capital markets as a newly fledged independent company.

An issue might offer the opportunity to raise new equity capital from the public. But the Government made it clear yesterday that the lion's share of any proceeds would go into its own pocket.

To boost its financial appeal BA is likely to emphasise its current cost balance sheet next week—which could show assets of over £1bn. But this will only highlight the problem that taxpayers could be selling off assets at a hefty discount. An overall market capitalisation of, say, \$800m, BA would be valued at under half its net worth at replacement cost.

Judging by the economic background, the figures could look worse rather than better in a year's time. If politics did not enter into it, the early 1980s—when the bulk of the pro-

gramme of re-equipment with more efficient and profitable aircraft should have been achieved—would be a much more promising time for BA's stock market debut.

Lloyds Bank

Lloyds Bank opened the clearing banks' interim profits season with a solid 60 per cent increase in pre-tax profits to £122.8m. This was much in line with analysts' projections. But the 29 per cent increase in the interim gross dividend was not nearly so generous. Great that Lloyds did not increase its dividend by more than 10 per cent at the time of the 1976 rights issue and its dividends have not kept pace with inflation.

The current dividend is covered 5.6 times on a fully taxed basis—and it may decide to increase its payouts further at the final stage. However, on the basis of a 28 per cent increase for the full year, the shares, at 380p, yield 5.9 per cent.

Lloyds' caution on its dividend partly reflects the fact that it knows that the current dividend is the last for many years. In its latest half-year the average basic rate was two-thirds up on the comparable period of last year and nearly a fifth up on the second half of 1978. Margins have been squeezed but the combination of buoyant net interest revenues and a 13 per cent growth in group advances has led to an explosion in domestic profits.

This compares starkly with the experience at Lloyds Bank International which in common with Barclays Bank International, is finding the going very tough. LBI has built up an enviable reputation in the international merchant banking field but even this is not going to stop its profits from stagnating for the second year running.

With interest rates showing no signs of falling in the short term, Lloyds' second half outlook is improving all the time. On present form the group should make pre-tax profits of £250m or so, compared with £182.8m in 1978.

However, the real interest in the full year figures will centre on Lloyds' treatment of its bad debts and its leasing business. Last year Lloyds stood out because of the very low level of its provisions and its decision not to provide for deferred tax on its leasing business. At the moment it is sticking to its decision on deferred tax but with fuller disclosure in the 1979 results the bank's provisioning policy may be made more understandable to outsiders.

Times talks break down

BY CHRISTIAN TYLER, LABOUR EDITOR

THE MAIN Board of the Thomson Organisation in Britain has been called into negotiations for re-starting the Times and Sunday Times after talks between the newspapers' management and trade union leaders collapsed yesterday.

Mr. Gordon Brunton, chief executive of Thomson British Holdings, agreed to the unions' request to meet the main board as soon as possible, after they virtually broke off relations with Times Newspapers.

Officials of the seven unions said they were unanimous in rejecting revised terms put to them yesterday. The difficulty of restarting the titles—suspended by the management on November 30 last year—could be even more acute, since officials of the electricians' and engineers' unions are also threatening to let their Times members disband and take other jobs in Fleet Street.

Times Newspapers originally demanded new agreements covering manning, disputes procedures and co-operation with computer-based typesetting. The question of who should control computer-linked keyboards has been put to one side after stiff resistance from the NGA.

The other issues, including operation of other new equipment, are the subject of the negotiations towards an interim agreement that failed yesterday.

After the talks broke down

SOME 200,000 copies of a spoof newspaper, Not (yet) The Times, will appear next week. Produced by a group of journalists, including some from the Sunday Times, the paper will sell for 60p. It is a one-off effort which cost £20,000 to produce and is backed by London businessman Mr. Bill Colegrave.

Some union leaders considered flying to Toronto in the hope of reaching agreement directly with Lord Thomson of Fleet. The newspapers' proprietor said that if the unions agreed to go back on the terms offered by Sir Denis Hamilton, editor-in-chief, two weeks ago when the long deadlock was broken with significant management concessions.

New proposals had been

imported into the nine-point charter for reinstatement of dismissed workers and republication of the papers they claimed. Some of the conditions demanded would cut across agreements already signed by some union branches before the shutdown, and the document looked more like a final than an interim agreement.

Mr. Les Dixon, president of the National Graphical Association, who chaired the union talks, said afterwards: "The attitude is no way reflected the more helpful attitude that came across from Sir Denis Hamilton or the atmosphere when we met Ken Thomson and Gordon Brunton."

Other officials said the company had gone back to its pre-November negotiating position or had tried to win back even more ground than they had lost. Mr. M. J. Hussey, chief executive of Times Newspapers, said: "In all my long experience of such negotiations I have never come across a situation where compromise proposals, including significant improvements, were rejected out of hand and met with an absolute refusal to discuss them."

Receivers in at NEB-backed tanneries

BY CHRISTINE MOIR

RECEIVERS have been called in at British Tanners Products, the company formed in 1977 in which the National Enterprise Board has a 50 per cent stake.

The NEB injected £4.5m into the company, which owes the Department of Industry £15m. The company announced yesterday that it still urgently needed further permanent financial resources, although it has been trading successfully recently.

Commercial loans were not available, as the company lost

£2.4m in 1977 and \$640,000 last year. The NEB has decided against a further capital injection.

Mr. Michael Grylls, MP, an outspoken opponent of the company since its inception, intends to call on Monday for a full inquiry into how the Government came to invest £6m in a company which it was warned at the time had no future.

British Tanners Products has been one of the NEB's most controversial investments. The

announcement in 1977 that the NEB was to bail out Barrow Hepburn, the owner of the tanneries, by taking the 50 per cent stake and allowing British Tanners Products to repay loans of £10.4m to Barrow, raised an immediate hue and cry in the industry.

A group of 14 tanning companies won permission from Mr. Sam Silkin, Attorney-General in the Labour Government, to take the NEB to court. They claimed it was unfair for the agency to prop up only one

company in the industry, when its support would intensify the fierce market pressures on tanning companies.

They also complained the NEB was acting contrary to its statutory duty to invest on a commercial basis.

At the time the NEB replied that it expected to make money out of the company. Since then hide prices have risen steeply. The company has lost money despite closing its main tannery with the loss of 1,000 jobs.

News Analysis, Page 3

Ladbroke plans £35m U.S. office park

BY JAMES BARTHOLOMEW

LEADBROKE GROUP, the leisure conglomerate, is to develop a £35m office complex at Westchester County, near New York, in conjunction with local interests.

At the same time as yesterday's announcement, the Ladbroke board said it had "complete confidence" in Mr. Cyril Stein, the chairman. Three days ago the company failed in a court bid to have four London casino licences

renewed. Ladbroke is to appeal against the verdict.

The Westchester deal was finalised by Mr. Stein yesterday. It will consist of an "office park"—an out-of-town development on a landscaped site. Ladbroke will own 51 per cent.

The risk capital in the project was very low and the potential profit very high, Mr. Kurt Kilstock, chief executive of Ladbroke's property division, said yesterday.

U.S. currency borrowings on a non-recourse basis would finance all the building work, so Ladbroke could only lose half the cost of the land at worst—less than 3m, said Mr. Kilstock. The potential total capital profit on the four-year development was \$100m, he said.

Office parks have become commonplace in the U.S. over the last ten years. The out-of-town low-rise buildings set in

park-like settings have been designed to make office life more attractive. The Ladbroke office park will provide 1m sq ft of office space set in 80 acres of land, Ladbroke said.

The Ladbroke board, expressing its confidence in Mr. Stein, acknowledged the "considerable efforts that he has made in the outstanding growth of the group and his readiness as chairman to accept responsibility for its total management."

Continued from Page 1

British Airways

national groups, as well as employees of the airline.

British Airways' reaction yesterday was restrained. Mr. Ross Stainton, chairman, commented: "The Board of BA will be discussing the Government statement shortly in order to come to a view. I note that there is no question of disposal of any part of British Airways, and that there will be ample time for consultation."

Gareth Griffiths writes: Trade union leaders expressed concern last night over increased staff insecurity and the possibility of living away more profitable routes.

Mr. Stan Davison, assistant

general secretary of the Association of Scientific, Technical and Managerial Staffs, said the association was afraid other airlines might purchase the equity and seek reallocation of routes.

John Elliott writes: This is the second of a series of planned disposals of State assets. The Chancellor of the Exchequer said in his Budget speech that the disposals would total £1bn in the current year.

The first was the sale of £100m assets by the National Enterprise Board yesterday. The dollar recovered yesterday in response to the rise in U.S. interest rates and following further support from the Fed.

Continued from Page 1

Discount rate

no seriously negative implications for financial markets, it still leaves a question-mark over who will succeed Mr. Miller at the Fed.

The key market rate through which the Fed adjusts its monetary policy is the Federal funds rate. It moved up to 10 1/2 per cent yesterday from 10 1/4 per cent.

This implied that the Fed is ready to see some increase in short-term interest rates to help the dollar.

Peter Riddell, Economics Correspondent, writes: The dollar recovered yesterday in response to the rise in U.S. interest rates and following further support from the Fed.

Speculative positions were also being closed after the recent weakness of the U.S. currency. The dollar rose to DM 1.8090 and its trade-weighted index, as calculated by the Bank of England, jumped by 0.5 points to 84.2. This still represents a decline of 1/2 per cent on the week.

The dollar's rally was matched by a weakening of sterling after its recent sharp rise. Its trade-weighted index slipped by 0.5 points to 72.3—still an appreciation of 1.8 per cent on the week.

Trading was fairly quiet and the pound dropped by 2.1 cents against the dollar to \$2.2730, and to DM 4.13 compared with DM 4.15 on Thursday.

Weather

UK TODAY

SUNNY intervals. Showers, mainly in the north and west. Rather cool.

London, E. Anglia, Cent. S.W. Eng., Midlands, S. Wales. Sunny intervals, some showers developing. Max. 19C (66F).

S.E. Eng., Channel Is. Perhaps rain at first, scattered showers later. Max. 19C (66F).

E. Cent. N. Eng., Borders Occasional showers, locally heavy, sunny intervals. Max. 18C (64F).

N. Wales, Lakes, N.W. Eng., Isle of Man, N. Ireland. Showers, some heavy, sunny periods. Max. 17C (63F).

Orkneys, Shetland. Showers, some heavy, perhaps a few bright intervals. Max. 13C (55F).

Rest of Scotland. Showers, some heavy, sunny intervals. Max. 16C (61F).

Outlook: Sunny periods, showers, becoming warmer.

WORLDWIDE

Algeria	25	26	Algeria	24	25
Amman	25	26	Amman	24	25
Baghdad	25	26	Baghdad	24	25
Bahia	25	26	Bahia	24	25
Bombay	25	26	Bombay	24	25
Buenos Aires	25	26	Buenos Aires	24	25
Calcutta	25	26	Calcutta	24	25
Cairo	25	26	Cairo	24	25
Cardiff	25	26	Cardiff	24	25
Chennai	25	26	Chennai	24	25
Cebu	25	26	Cebu	24	25
Dublin	25	26	Dublin	24	25
Edinburgh	25	26	Edinburgh	24	25
Geneva	25	26	Geneva	24	25
Hong Kong	25	26	Hong Kong	24	25
London	25	26	London	24	25
Lyons	25	26	Lyons	24	25
Madrid	25	26	Madrid	24	25
Mumbai	25	26	Mumbai	24	25
New York	25	26	New York	24	25
Paris	25	26	Paris	24	25
Rangoon	25	26	Rangoon	24	25
San Francisco	25	26	San Francisco	24	25
Singapore	25	26	Singapore	24	25
Tokyo	25	26	Tokyo	24	25
Yokohama	25	26	Yokohama	24	25

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